Daily Report

Latin America

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FBIS-LAT-95-230 *30 November 1995*

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Cuba

Reportage on Castro's State Visit to China

Radio Reports Arrival

PA2911221595 Havana Radio Rebelde Network in Spanish 1800 GMT 29 Nov 95

[FBIS Translated Text] Commander in Chief Fidel Castro arrived today in Beijing to begin an official visit whose aim is to strengthen ties between Cuba and China.

The brief reception ceremony given President Castro included a greeting by the Latin American diplomatic corps accredited in Beijing and a rapid transfer to the state's guests residence as is the custom in China.

Fidel and his delegation were received at the airport by Chen [Igua], chief of the Government's Protocol and Reception Committee, and minister-in-charge of the State's Planing Commission.

The Cuban delegation's official activities will begin tomorrow with a meeting between Presidents Fidel Castro and Jiang Zemin in the Great Hall of the Palace of the People following the formal welcome.

With a simple welcome ceremony following strict Chinese protocols, President Castro, who is visiting China for the first time, was received in Beijing. Here is a report from our special envoy Zenaida Costales directly from that country's capital.

[Begin Costales recording] From now until 8 December, Commander in Chief Fidel Castro will have the opportunity to visit important places of economic, social, and cultural interest and to above all experience the reality of the Chinese people, which is immersed in a profound economic change. The provinces of Shanghai, [Kwanton], [Xanching], and [Xien] are some of the regions of this nation where the leader of the Cuban revolution will be able to appreciate the tenacity and constancy of the Chinese people who, in recent years, have attained innumerable economic achievements. Because of the difference in hours and the extended flying time, today is a day of rest for the leader of the Cuban Revolution and the delegation accompanying him. Starting tomorrow, they will begin an intense schedule of activities which will begin with the official welcome ceremony with President Jiang Zemin. Later, the leaders of Cuba and China will hold private talks. In [Tiananmen] Square, heart of the city, the flags of Cuba and China wave announcing the official visit of the leader of the Cuban Revolution. In the most important newspapers, for example, in the RENMIN RIBAO newspaper, the people's daily newspaper and official party newspaper, the news of Castro's visit appears on the front page, with a photograph and a biography of the commander in chief, while television and national news agencies emphasize Castro's arrival in prime time. The presence of Fidel for the first time in this Asian country is not unnoticed by the Chinese people who say they have been waiting for it for a long time. [Lu Fung Yung], who was a cultural attache in Cuba, says:

[Fung Yung] Personally, this news made me very happy, because I had expected his visit two or three years ago. When I was there, I heard that news. [words indistinct] but afterward in Cuba [words indistinct] return to visit Cuba, and it is not until now that he has realized that visit. I give him my most heartfelt welcome. When I was young I read about the Cuban Revolution, about their heroes. [words indistinct] are all heroes to me. [end recording]

Further on Arrival in China

PA2911161995 Havana PRENSA LATINA in Spanish 1153 GMT 29 Nov 95

[By Frank Guiral]

[FBIS Translated Text] Beijing, 29 Nov (PL) — Cuban President Fidel Castro, dressed in his usual olive green uniform, arrived today in Beijing for a state visit aimed at strengthening relations with China for the benefit of both countries.

Castro's visit is in response to his counterpart Jiang Zemin's invitation to have direct contact with an ancient civilization and to become acquainted with China's achievement of perfecting socialism based on its own national characteristics.

The high-level delegation's airplane, Cubana de Aviacion, touched down at The Capital Airport at 1605 local time, and 10 minutes later, Fidel Castro emerged with members of the Protocol Commission.

A brief welcoming ceremony was held, which included greetings from the Latin American diplomatic corps in Beijing, followed by a brief trip to the residence for state guests in Diaoyutai, as is customary in this country.

The Cuban leader and his entourage were welcomed at the airport by Chen Jinhua, head of the government's Protocol and Welcoming Committee and minister in charge of the State Planning Commission; Xu Yicong, Chinese ambassador to Cuba; Jose A. Guerra Menchero, his Cuban counterpart in Beijing; and Li Zhaoxing, Chinese vice foreign minister.

The Cuban delegation's official activities will begin tomorrow with a meeting of Presidents Fidel Castro and Jiang Zemin in the Grand Room of the People's Palace after the formal welcoming ceremony.

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Other members that form the Cuban high-level delegation are Jose Luis Rodriguez, vice president of the Council of Ministers and economy and planning minister, and Isabel Allende, vice foreign minister.

This is Fidel Castro's first trip to China and his agenda includes tours of several provinces where he will visit industrial development areas, special economic development zones, and agricultural companies.

Beijing Press on Visit

PA2911202595 Havana PRENSA LATINA in Spanish 1239 GMT 29 Nov 95

[FBIS Translated Text] Beijing, 29 Nov (PL) — The local press today, when reporting President Fidel Castro's visit to China between 29 November to 8 December, displayed an unusually strong dose of respect, admiration, and affection.

RENMIN RIBAO published a front-page announcement accompanied by a photograph and a brief biography of the distinguished visitors. There was also an analysis by the newspaper's Havana correspondent on Cuba's recent diplomatic activities.

These activities, it says, have concentrated on creating new and broader diplomatic relations with Latin America and to struggle against the unilateral economic blockade imposed by the United States against the island for more than 30 years.

Likewise, it refers to the reorganization of relations with the republics that comprised the former Soviet Union and Eastern Europe, on the basis of equality and mutual benefit.

The Beijing newspaper published a signed article saying that the Cuban leader is a legendary revolutionary figure and recalls his struggle period during the 1950's.

Cuba's presence began to be appreciated in Beijing hours before Fidel Castro's arrival. The flag of the Caribbean nation was hoisted next to the PRC's before midday, on Chang'an Avenue, close to the government seat.

Alarcon Discusses Migration Negotiations

PA3011042195 Havana Tele Rebelde Network in Spanish 0308 GMT 30 Nov 95

[Interview with Ricardo Alarcon, president of the National Assembly of the People's Government of Cuba, by NTV Anchorman Julio Acanda in a New York City hotel; date not given; from the "This Very Day" program — recorded]

[FBIS Translated Text] [Acanda] A new round of migration talks between the United States and Cuba has just ended here in New York. The chief of the Cuban delegation, Ricardo Alarcon, who is also president of the Cuban National Assembly of the People's Government, makes exclusive statements for television on what went on in the meeting. Could you talk to us about what went on in this new round of talks?

[Alarcon] The meeting is a mechanism stipulated in the September 1994 agreement. According to this agreement, periodical meetings must be held every two or three months more or less to review and follow up on the fulfillment of the agreement by both sides. It is a meeting that is quite technical because we review the application of the agreement. That is very important because it is precisely a mechanism that provides us with a guarantee and an assurance that the agreement will not be mere words. We go over all aspects of the agreement. Opinions and observations were traded. This allows us to make adjustments and interpretations of our actions. We can clarify our doubts and, in a word, facilitate the continuity of the commitment made in September 1994 and became official in May of this year. There is of course guarantees for [passage indistinct] denying a person the possibility of waging a struggle. There is no right because no one has the right to make demands to the receiving country, but we try to help resolve some of the problems that have emerged. The way the agreement is being implemented [passage indistinct] the practical experience of the last few months and the application of all of them.

[Acanda] After analyzing those points you just mentioned, what conclusions have been reached during this round of talks?

[Alarcon] There is one thing we did propose [words indistinct] on one hand, we must make sure that the agreement or the agreements [word indistinct] are being implemented correctly, in general terms. On the other hand, situations persist that contradict the spirit and letter of those agreements. Above all, I believe that there are limitations and obstacles established by the United States, which prevent normal and smooth communications between the Cubans and their relatives who live in the United States. Specifically, the subject of the trips, visits by relatives, in other words Cuban citizens residing in Cuba who do not want to emigrate, but to visit a relative or receive the visit of a relative.

As you know, the situation regarding trips from the United States to Cuba is regulated, restricted by U.S. Federal regulations. The latest expression of that policy was made on 6 October, in President Clinton's speech, and then the specifications [passage indistinct]. In the United States there are people who practically have [word indistinct] it is a society, a country — like very

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few — having a great number of immigrants from all over the world. If you analyze the U.S. reality you will see that those of Cuban descent are the only ones whom the U.S. Government says can travel to their country's of origin now, but will not be able to travel there again until next year; or can travel depending on how sick a person's relative is. That does not exist [words indistinct] for persons of Mexican, German, or Irish descent by U.S. [word indistinct]. This hurts the interests and rights, including the individual rights, of those persons.

The situation is even more complex, and more arbitrary with regard to persons, Cubans who reside in Cuba, who request a visa simply to visit a relative in the United States and return to their country. U.S. restrictions have gradually increased, to the point that many people in Cuba complain about that. They say that they do not understand this, that they view this as an arbitrary attitude that does not contribute to normalize the migratory situation. Migration is not only the movement of persons from one country to another for good. This concept encompasses all kinds of movements of persons between countries. U.S. immigration laws have an entire chapter on this subject: temporary visits.

Therefore, this is an important issue. Restrictions being applied by the United States since the summer of 1994 contradict the letter and spirit of the agreements and create an atmosphere that is not favorable, that does not contribute to their proper implementation. This has been one of the main points the Cuban delegations have stressed since the first day, since last year up to the most recent talks, held yesterday and today. There are so many contradictions with the agreements on this subject, there are contradictions that are obviously against the spirit of normalizing migratory relations, which supposedly are [words indistinct], since so many people are increasingly affected... [pauses] you can notice this here in the great U.S. press, which contains expressions criticizing those restrictions. I believe that they will inevitably have to ease those restrictions gradually, until they are completely eliminated.

[Acanda] You have presided the Cuban delegation in the rounds of talks since they began. In your opinion, at what point are the talks currently?

[Alarcon] I think last year's agreements have already passed an important test of time. It has been proven that they could be applied, that they were of mutual interest, and that we could implement what had been agreed upon on September 1994 and May 1995 in a way that really benefited everyone.

However, we still have this situation that contradicts the positive elements of the agreements. There is still a restrictive attitude based on their interest, which still prevails in the North American power circles, to maintain the blockade against Cuba, to reinforce it, etc. The contradiction is evident because, on one hand, they have been compelled and have gotten to the conclusion that it is in their interest to work to regularize the migratory relations but, at the same time, they persist in their interest to negatively affect the Cuban economy, create difficulties to our development, continue the economic blockade, and impose measures to make it difficult for people to communicate through the Florida strait. The purpose of those restrictions and the blockade is to try to strangle the Cuban economy, to create difficulties for the Cuban society and [words indistinct].

Those actions go against the idea of having regular migratory relations because their migratory problem is not only in the Florida strait and does not only affect [word indistinct] of the United States. As I have already said, this is a country of immigrants. Millions of people from the entire planet have come here. The number of immigrants of any other nationality — Europeans or from many other Latin American countries — is much higher, in absolute numbers and percentage-wise, than the Cuban immigration. This reality can be confirmed in this country.

What is the origin, the main reason that prompts people to move from one country to another? Historically, the main reason — there are, of course, some cases of people who have migrated for other reasons — for masses of people to move through borders is of an economic nature. Economic reasons are what makes them migrate. This is so because people of the third world migrate to the northern countries and not the other way around. They migrate from backward countries to the most industrially advanced countries. The same thing happens internally in a country. People move from the rural areas to the cities, from the less developed areas to the more developed ones. Since this is such an obvious reality, the economic blockade policy directly contradicts the idea of normalizing migratory relations with Cuba. Immigration will increase in the measure that the blockade policy is successful. This is inevitable. It is the logical consequence of such a policy.

However, the United States does not want to promote immigration. In reality, the United States does not want immigration from anywhere. There is a very strong anti-immigration feeling in this country currently. It is even discriminatory and persecutes the immigrants. However, in the Cuban case, due to an absurd policy that has not changed in more than 30 years, the United States maintains a strategy against us that goes directly

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against the U.S. interest to normalize migratory relations [passage indistinct].

Currently, this country is going to have new presidential elections and there is a situation of internal tension and very strong contradictions between the Executive and the Legislative Branch on social policies, which has been promoted by the Republican right. It is rather against social policies as the Republicans want to eliminate practically all the programs that benefit the poor people and only want to favor the rich sectors. All this is happening amid an electoral campaign that will be very important.

Next November we will tell if that country will continue to have a Congress controlled by the ultra right, and the ultra right will even control the administration or if there is a possibility of some recovery or some [word indistinct] or some containment of that reactionary trend, as many U.S. people hope will happen. In other words, it is a time of change, a time of transition and internal decision among U.S. citizens who are asking themselves where they are headed to and how they are going to get there.

Within that context that general topic of immigration lies at the core of the debate. The (?rising) ultra right is taking away benefits from the pensioners and poor people of that country and, needless to say, from emigrants. Illegal aliens, are of course, excluded any possibility. They have turned into enemies of that society. Legal immigrants are victims of a very serious (?xenophobia) that seeks to deny them fundamental rights, education, health, and so forth to legal foreign residents in that country. That is an indication of a very negative attitude against foreigners and the poor, and especially, against Latin Americans.

Robaina: Havana 'Continues Feeling' Cold War

PA3011045395 Havana PRENSA LATINA in Spanish 0254 GMT 30 Nov 95

[FBIS Translated Text] Mexico City, 29 Nov (PL) — Foreign Minister Roberto Robaina warned today that his country continues feeling the Cold War and described as wrong the views of those who regard the Nonaligned Movement [NAM] as obsolete in the wake of the collapse of the socialist European camp.

In an interview with Mario Vazquez Rana, EL SOL DE MEXICO editor, Robaina added that the news of the end of the Cold War has not reached his country yet, since that war is frozen and without the likelihood of thawing in sight because of the growing U.S. aggressiveness.

At the same time, he rejected the view that the NAM was an alternative to the East-West confrontation and felt that it is the policy of an ostrich to reduce the Third World problems to a confrontation of ideologies.

In the opinion of the Cuban foreign minister, nonalignment is a rebellion of the poor to the centers of power and not an ideological reaction. It is, instead, a stance taken by the dispossessed in the face of the waste and way of life of the rich, colonial exploitation, territorial usurpations, and violation of sovereignty. According to Robaina, the movement to reform the United Nations responds to a growing conviction of the dangers of unipolarity following the disappearance of the Soviet Union and the collapse of socialism in Europe.

Robaina felt that the world realized the dangers of the Cold War bipolarity were minimal when compared to danger that began to spread over humanity with unipolarity, which has served to manipulate the UN decisions based on the interests of the great power with hegemonic intentions.

The senior official added that during the recent celebration of the UN anniversary, a voice of alert was heard over the dangers of a doubtful agenda for peace proposed at the top world organism, as well as of the Security Council endorsement to the preventive diplomacy or humanitarian operations to restore peace or democracy.

The world, in the opinion of the foreign minister, knows that neither peace nor food, much less democracy, can arrive in the mouths of multinational guns. This is instead achieved through serious efforts by the countries affected, without downplaying the support of the international community but not precisely with bombs.

Foreign Minister Views Role of Carribbean Association

PA3011011895 Havana PRENSA LATINA in Spanish 0330 GMT 28 Nov 95

[By Miguel Lozano]

[FBIS Translated Text] Mexico City, 27 Nov (PL) — Cuban Foreign Minister Roberto Robaina will head this week his country's highest delegation to visit Guatemala, to attend a meeting of the recently-created Association of Caribbean States [ACS].

In statements to PRENSA LATINA given here yesterday during a brief and required stay on his way to the Central American country, Robaina gave great importance to the first ACS council of ministers meeting that will be held between 29 November and 1 December.

Robaina highlighted that the meeting is the continuation of the summit of heads of states and governments held

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in Trinidad and Tobago, where the new organization of regional cooperation was given the green light.

The Cuban foreign minister said that already coordination had been made with other states to expedite the organization's start on the basis of an agreed agenda that includes its working program, the make-up and structure of the secretariat, and its 1996 budget.

Other topics to be discussed are the setting of membership dues, conditions for member and observer participation, the creation of a special fund, and the establishment of committees and statues.

He said that Cuba's goal and the goal of other countries consulted is to do everything possible in Guatemala to implement soon what the heads of states agreed.

For us, he said, it is of strategic importance to give the association life, because it is not enough to found it if there are no continuity mechanisms.

Robaina said that a visit by a delegation of such a level to Guatemala has a special significance for Cuba and hopes that it serves as a framework to contact sectors that show interest in moving ahead in bilateral communications.

He added that the Cuban delegation has proposals on all the topics and a very conciliatory position with the main ACS supporters, such as Mexico and Colombia.

The Cuban foreign minister arrived in Mexico from Australia, where he paid an official visit, which he described as very fruitful for relations between the two countries.

According to Robaina, the possibilities opened by Cuba for foreign investments, particularly in the mining sector, caused great interest among Australian businessmen.

He added that he also noticed a marked interest in the sugar and agricultural sectors in general; production of vaccines and medicines; sports training and counseling, especially boxing; and port infrastructure.

Added to this, Robaina highlighted Australia's increasing solidarity movement toward Cuba. Australia recently concluded a campaign to collect school supplies and medicines for the island.

To know that so far away from the country there is appreciation for the way the Cuban people face the difficult conditions and begin to emerge from the complicated situation of the past few years, is something that is tremendously stimulating, the Cuban foreign minister said.

Labor Minister Views Maintenance of Institutions

PA3011035895 Havana PRENSA LATINA in Spanish 0005 GMT 28 Nov 95

[FBIS Translated Text] Havana, 27 Nov (PL) — Salvador Valdes, the labor and social security minister [CETSS] of Cuba, has stated here that Cuba will maintain the government institutions and economy in all the sectors possible.

"State property will always have priority in regards to employment and economy," the CETSS minister pointed out in an interview published in the latest edition of the BOHEMIA weekly magazine.

Referring later to the current labor characteristics in Cuba, Valdes admitted that "the current conditions change the properties of labor."

"We need to make the land produce on any kind of property, be it cooperative, individual, or state-owned," he specified and added that although individual producers were not encouraged previously, we have to do so now to boost production.

"Our current legislation limits the individual producer in the use of labor force," he said and then proceeded to emphasize that the current concept of labor needs to be broadened.

Asked if it was currently feasible for the Cuban Government to ensure full employment, he said "personnel is needed in the education, aqueducts, public health sectors. We need many constructors....but city folks do not want to work in the construction sector."

Valdes also made reference to a program furthered by his ministry to streamline the labor force in an "orderly, gradual, and coherent manner and without it causing social upheaval in the economic sectors that experience recovery."

He asserted that the CETSS will be a guiding force in this gradual streamlining process because "chaos will arise if we leave it up to the directors.... everyone will want to achieve efficiency by getting rid of the workers."

"We cannot create a state of uncertainty in the population," he underscored.

On the issue of social security, the minister said his office was willing to get a balanced budget "so that every one will give what is due to this sector and companies, as they become more efficient, increase their allotments."

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Low Coffee Yields Due to Weather, Humidity

PA2911233295 Havana Radio Reloj Network in Spanish 2048 GMT 28 Nov 95

[FBIS Translated Text] The erratic effect of weather on the level of maturity of coffee plants continues to affect this crop which is facing on its most complex harvests ever. Iral Rodriguez, national coffee director from the Ministry of Agriculture, stated that although the eight provinces that grow coffee are making great efforts in harvesting, and processing, the plantations are at the 50 percent mark. With the exceptions of the municipalities of Maisi and Segundo Frente which have strong possibilities to meet their projections, the rest of the Plan Turquino-Manati localities are experiencing difficulties reaching projections. The most tense situation is at Tercer Frente which has the potential to produce over 1 million cans of coffee and has only harvested 169,000.

To the erratic effect of weather on the current coffee harvest, we must add the low yield prevailing in the mountain plantations in the eastern provinces which yield 80 percent of the national production of coffee. Plantations in the Escambray Range are also experiencing a short, tardy, and slow harvest.

Santiago de Cuba, the main producer of coffee in the country, is experiencing the most problems with the harvest due to excessive humidity and low yields.

Despite the fact that the Agriculture Ministry has over 10,000 caballerias of coffee, and approximately 100 basic cooperative production units, and is giving land in usufruct, the Plan Turquino plantations are yielding less than 50 percent in comparison with years when record yields were attained.

Correction to Alarcon Heads Talks Delegation

PA2811192295

The following correction pertains to the item headlined "Alarcon Heads Delegation to Talks With U.S." published in the 28 November Latin America DAILY REPORT, page 2:

Column one, third paragraph, sentence one make read: ...reached in September 1994. The previous round... (correcting year)

Correction to Program on Sugar Harvest

PA2811190195

The following correction pertains to the item headlined "Program Discusses Sugarcane Harvest Plans, Goals," published in the 28 November Latin America DAILY REPORT, pages 16-18:

Page 16, column one make subslug read: ["Straight Talk" program with guests Renato Recio and Eloy Concepcion and host Osvaldo Rodriguez] (correcting name);

Same page, column one, sixth paragraph, second sentence make read: ...3 million tonnes produced during the... (deleting extraneous editorial notation);

Same page, same column, seventh paragraph, first sentence make read: ...sugarcane and sugar; however, I believe that the Cuban people do understand sugarcane and sugar. However, I think... (rewording); and

Page 18, column two, first partial paragraph, first sentence make read: ...mills, seedlings were cut too high, and more sugarcane... (rewording)

Correction to Castro Congratulates TV Workers

PA2811164995

The following correction pertains to the item headlined "Castro Congratulates Television Workers," published in the 28 November Latin America DAILY REPORT, page 8:

Column one, first paragraph, from processing indicator make read: ...[FBIS Translated Excerpt] Havana, 26 Nov (PL) — President Fidel Castro sent a congratulatory... (changing "text" to "excerpt"); and

Column one, penultimate full paragraph, only sentence make read: ...his message that "the television camera has managed to capture every battle that has ever been waged." [new graf] Referring to the... (rewording)

Correction to Report on Tourism Meeting

PA2811154595

The following correction pertains to the item headlined "Views Status of Tourist Sector," published in the 28 November Latin America DAILY REPORT, pages 15-16:

Column two, fourth complete paragraph, only sentence make read: ...foreign management and joint venture contracts, which are... (changing "mixed firm" to "joint venture");

Column two, fifth complete paragraph, second sentence make read: ...the remaining four joint ventures. [new graf] In addition, it... (deleting "owned by" and changing "mixed firms" to "joint ventures"); and

Column two, penultimate paragraph, only sentence make read: ...sphere, indicated that this so-called pollution-free industry has possibilities... (rewording)

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Correction to Prieto on Arts Funding

PA2811141495

The following correction pertains to the item headlined "UNEAC Prieto Comments on Arts Funding," published in the 28 November Latin America DAILY REPORT, page 8:

Column one, first paragraph from processing indicator make read: ...[FBIS Translated Text] Havana, 23 Nov (PL) — Abel Prieto, president... (supplying dateline); and

Column two, antepenultimate paragraph, only sentence make read: ...he said. [new graf]

The publishing industry, he asserted,... (changing "editorial" to "publishing")

Correction to Politburo Members' Activities

PA2711212695

The following correction pertains to the item headlined "Roundup of Politburo Members' Actitivies Through 24 Nov," published in the 27 November Latin America DAILY REPORT, page 7:

Column one, last paragraph, only sentence make read: ...Torres Perez met sugar workers in Matanzas and... (supplying dropped words)

Haiti

Radio Reports U.S. Embassy 'Pressure' For Dec Elections

PA2911231495 Port-au-Prince Radio Metropole in French 1145 GMT 28 Nov 95

[From "The Morning Newscast"]

[FBIS Translated Excerpt] [Passage omitted] But meanwhile, the pressures of the international community are becoming more and more intense. The U.S. Embassy in Port-au-Prince is also putting pressure regarding the elections on 17 December. Stanley Schrager also reminded yesterday that the promises of President Jean-Bertrand are promises he made during his return on 15 October 1994. He said that he would leave power at the expiration of his mandate. The vague language of the Haitian head of state has also worried the U.S. Embassy in Port-au-Prince, Rothschild Francois, Junior tells us.

[Begin Francois recording] The U.S. Embassy in Port-au-Prince continues to believe in the holding of the presidential elections on next 17 December while noting a certain ambiguity in the language of President Aristide as regards the presidential ballot. The U.S. Embassy also says that the president must respect the Constitution as well as the commitments he made before the intervention that allowed his return to power in Port-au-Prince. In fact, President Aristide promised to pack his bags on 7 February 1996 as provided for by the Constitution. [passage omitted]

The U.S. Embassy spokesman does not rule out the possibility of a certain U.S. military presence in Haiti after the departure of the UN Mission in Haiti. Stanley Schrager has pointed out that this decision will have to be approved by the Haitian Government. Mr. Schrager explains that nothing has been decided yet. [passage omitted]

The United States remains convinced that a new president will take office on 7 February 1991, a president who will stem from the 17 December elections. Washington is already preparing to send observers to follow the unfolding of the electoral operations. [passage omitted] [end recording]

Preval on Elections, Lavalas Movement, Aristide Support

PA2911231595 Port-au-Prince Radio Metropole in French 1145 GMT 28 Nov 95

[From "The Morning Newscast"]

[FBIS Translated Text] There is uncertainty, a wind of division within the Lavalas camp. Rene Preval is not sure to get President Aristide's support. He will do that if he wishes so. This is what the Lavalas Political Platform candidate who was interviewed last night on the television branch of Radio Canada, said. Rene Preval is also against the recovery of the three years even though it would be justice. We must go to elections, he said. Let us listen to an excerpt from his statements on Radio Canada.

[Begin Preval recording, in progress] ...and he took a presidential order convening the Haitian people to go to the polls on next 17 December. So, the elections will be held. By the way, the first democratic elections that took place in 1990 were an occasion for these people to say clearly what they wanted for their country. They [words indistinct] but to change this country's life. But these people are frustrated and have a very fair demand, that is the continuation of the three years and it is in order to continue these three years that we have stood as candidate for the presidency of the Republic of Haiti.

[Unidentified Radio Canada reporter] Do you not consider the possibility that Mr. Aristide himself who will [words indistinct] the president? Is that not possible, in your opinion?

[Preval] I... [pauses] President Aristide said and signed an order. The process is going on and the elections

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will take place. However, it is also normal to listen to the wish, this frustration of the Haitian people who are demanding justice, justice for these three years that they had lost.

[Reporter] There are diplomats who say anyway even if he goes, as you are going to take the succession, it is in a way Aristide who will still be in power. What answer can you give to that?

[Preval] We are a political family, a family that wants a change in this country. I have been chosen, I have not stood as a candidate, I have been chosen by the Lavalas political family to be candidate, to be its candidate. Perhaps, I present the advantage of being best known than others. I present the advantage of getting on very well with the president. Yes, it is our movement that will be at the presidency through me or through someone else if someone else had been chosen.

[Reporter] I read that a diplomat made the comment that Aristide had not yet supported your candidacy publicly. Why?

[Preval] The president does not... [pauses] It is not necessary for the president to support publicly a candidacy. We are part of the Lavalas family to which he belongs. I have been chosen by this family and there is tacit implication. If the president deems it useful at a certain moment to support or deems it useful not to support, he will do so in accordance with his judgment. [end recording]

These were statements by Rene Preval, the Lavalas candidate at the microphone of the television branch of Radio Canada.

Leblanc Refuses To Participate in Council of Ministers

PA3011034095 Port-au-Prince Signal FM Radio in French 1130 GMT 29 Nov 95

[Report by Edgard Daniel; from "The Waking Up Newscast" — passages within slantlines in Creole]

[FBIS Translated Text] We will begin the newscast with this Council of Ministers meeting scheduled for this very morning at the National Palace. The president of the Senate of the Republic refuses to participate in it. The president of the National Assembly, Edgard Leblanc, Junior, evokes constitutional reasons to justify his decision not to participate in this big ministerial meeting convened by the president of the Republic. Haitian President Jean-Bertrand Aristide will take advantage of this meeting of the Council of Ministers to tackle the questions of the three years of exile that continues to worry people in Haiti as well as in the United States. Nevertheless, the president of the Senate asserts that he never received such an invitation and that if it was the case it would be an unconstitutional action from the president, he said at the microphone of Albert Daniel.

[Begin recording] [Leblanc] /I can point out to you that today is Tuesday and that we have not received any formal invitation. Until now, we can say that it remains only at the level of the press and we do not have to give a verdict on something that is reported by the press only. Do you understand me? So, it is within the scope of an official invitation, it is only then that we will [words indistinct]./

[Daniel] /Senator Leblanc, is it constitutional for a Senate president to participate in a meeting of the Council of Ministers?/

[Leblanc] /What marks the separation of powers and within the scope of the separation, just like there is no participation of government members within the chambers, neither can a parliament member participate in the Council of Ministers. In fact, it would not be normal, it would not at all be normal that chamber presidents participate in the Council of Ministers meeting./ [end recording]

The Council of Ministers meeting is scheduled for this morning at the National Palace. Several subjects will be on the agenda. But the question of President Jean-Bertrand Aristide's three years of exile demanded insistently by many of his partisans will be at the center of the debate.

Presidency Spokesman Confirms Aristide To Step Down 7 Feb

PA3011035795 Port-au-Prince Radio Metropole in French 1700 GMT 29 Nov 95

[Interview with presidency spokesman Yvon Neptune by Rotschild Francois, Jr.; from "The Midday Newscast" — recorded, in Creole]

[FBIS Translated Text] [Announcer] This Wednesday, 29 November, the spokesman for the presidency, Yvon Neptune, confirmed that President Aristide will relinquish power, as scheduled, on 7 February 1996. He answered the questions of Rothschild Francois, Jr.

[Neptune] I am telling you again what President Jean-Bertrand Aristide has always been saying since he returned to power in Haiti on 15 October 1994, that on 7 February 1996 he will leave power as provided for by the Constitution. This is the explanation of President Jean-Bertrand Aristide. He said it clearly, officially, and solemnly.

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[Francois] [Words indistinct] confirm this statement today again after the ambiguous speech he made on 24 November?

[Neptune] Here again, ambiguous speech, it depends on what ears are listening to the speech because the speech is clear, we recorded it, and the Haitian people will hear this speech insofar as the press is interested in broadcasting it. We do not believe it is an ambiguous speech. This speech was at the same time a dialogue between President Jean-Bertrand Aristide and the people who were present. So, there was absolutely no ambiguity...

[Francois, interrupting] Yes, but there was an obvious ambiguity, Mr. Neptune, because Aristide made us believe that he was going to study both alternatives, the three years and the elections, that he agreed with the people in favor of the three years, and that he agreed with those in favor of the elections. Can one speak like that 20 days before the presidential elections?

[Neptune] [Words indistinct] was clear that President Jean-Bertrand Aristide always says it, it is not the first time that President Jean-Bertrand Aristide says it. Every time, wherever he passes, there are citizens, groups of citizens or masses of citizens who are talking about the question of the three years. President Aristide always says he has heard, he has recorded, but he cannot scorn what the people tell him. This is quite normal. In a democracy, the people have the right to speak and the people are speaking of something that interests them. The president cannot pretend that he does not understand, he cannot pretend that he does not hear, and he cannot scorn these people.

[Francois] Will he (?step down) on 7 February.

[Neptune] I am repeating the statement of President Aristide, it is not my statement, I am repeating the statement of President Aristide. He made it several times in various occasions: He will relinquish power on 7 February 1996.

Partisans, Adversaries of Elections Clash in Demonstration

PA3011033995 Port-au-Prince Radio Metropole in French 1700 GMT 29 Nov 95

[Report by Gonaives correspondent Pierre Gabriel; from "The Midday Newscast"]

[FBIS Translated Excerpt] In Gonaives, partisans and adversaries of the elections confronted each other with stones following a meeting of several people's organizations. Nearly 5,000 people demonstrated in Gonaives. Certain groups were demanding President Aristide's three years. Let us listen to a report by Pierre Gabriel.

[Begin Gabriel recording] As regards the election issue, the ideas remain very controversial in Gonaives. On Tuesday, 28 November, over 5,000 participants, who came from everywhere in the country, met at the Fabre Geffrard Public High School in Gonaives. After a day of reflection, the members of KOKOP, Coordination of the People's Organizations in Gonaives [words indistinct] (?held a meeting) in which several members of the national dialogue were present. The members of these organizations adopted a resolution consisting in struggling in favor of President Aristide's three years and in boycotting the question of elections in the localities where they live. At about 1900 local time, a few hours after the reflection day ended, an incident occurred in the Fabre Geffrard Public High School in Gonaives where a group of demonstrators, who were chanting: "Up with elections!", hurled stones at various participants who had not yet left the premises. There were big confrontations between partisans and adversaries of elections for 30 minutes. Several people were injured. Even the big companies [words indistinct] when several gunshots were fired. We will point out that it is UN Mission in Haiti soldiers who went to calm down the demonstrators. [passage omitted] [end recording]

Sixth Police Class Graduates on 25 Nov

PA3011001195 Port-au-Prince Signal FM Radio in Creole 1230 GMT 27 Nov 95

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] The graduation ceremony of a new class of national policemen took place in Port-au-Prince on 25 November. This class is the sixth police class and is made up of 739 policemen, who received training in Haiti and abroad. The new Haitian policemen committed themselves to respect and have the law respected during this ceremony which unfolded in the presence of several guests on 25 November. National Police Director Lucien Chenet, who was speaking within the scope of the ceremony, said that the new policemen received proper training in order to serve their country. The director of the national police took the opportunity to ask the Haitian population to believe in and to cooperate with the national policemen so security can be established in the country.

Additionally, we should point out that the members of the sixth class of the National Police staged a protest movement on the week preceding their graduation ceremony. During the protest they asked for new materials, several sets of uniforms, and the November salary.

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Foreign Secretariat Views Ruling on Proposition 187

PA3011041095 Mexico City LA JORNADA in Spanish 22 Nov 95 p 5

[Report by David Aponte]

[FBIS Translated Text] The approval and legal evaluation of Proposition 187 in California "resulted in the worsening" of anti-immigration feelings in some sectors of the United States. The Foreign Relations Secretariat (SRE) stated the Mexican Government expects Federal Judge Mariana Pfaelzer's ruling will help eliminate the discriminatory effects provoked in U.S. territory.

SRE sources believe the ruling issued by Pfaelzer, who annulled important provisions in Proposition 187, will benefit approximately four million workers of Mexican origin who are illegal aliens and residents [of the United States].

Likewise, it represents a "message" to other southern states in that nation that want to limit migrants' rights. Nevertheless, the 40 Mexican consulates in that nation will follow up legal actions against the proposition and new similar initiatives at state and federal level.

Fred Kumetz, legal representative for one of the four organizations that challenged the U.S. courts' proposition, said "this represents the defeat of an anti-immigration law that threatened with spreading to other U.S. states on the border."

The resolution voids the implementation of Proposition 187's sections that denied education, health, and social assistance services to the children and relatives of persons identified as illegal aliens in California. The judge eliminated the sections that violated the most basic human rights.

At a news conference held in Mexico City, the U.S. lawyer said he believes the ruling shows the Judicial Branch in the United States will approve no legislation of a racist or discriminatory nature at state or federal level.

"With the Wilson law, as it was, anyone about whom there was reasonable doubt that he was illegally in the United States should be denied the services, and the authorities had to notify the California Police and the Immigration and Naturalization Service the name and information which aliowed them to investigate and, accordingly, detain and expel the migrant worker and his relatives.

"We were faced with an injustice: Migrant workers, who take the jobs no one wants in the United States, under the worst conditions and for the lowest salaries, and who pay taxes to boot, would have no access to basic education and health services."

Kumetz added that the Mexican Government and people welcome the Federal Court's ruling, which represents a defeat to the most "conservative" interests of political groups in the United States.

In the evening, the SRE said the judge's decision considers that the California authorities lack the authority to regulate the flow of migrants, and this is Washington's attribution. Therefore, it annuls the implementation of most of the sections of what also known as Save Our State [preceding three words in English].

Referring to this, the Mexican Government welcomed Pfaelzer's ruling, which coincides with the priority that the authorities give to the defense of their fellow citizens' rights in the United States regardless of their migration status:

"The Mexican Government reasserts its respect for every state's sovereign right to formulate and implement its migration policy. Nevertheless, in the case of the approval and subsequent legal evaluation of the proposition in the United States, we see with concern that the process resulted in the worsening of anti-immigrant feelings in some sectors of that country's population.

"Regarding this, the Mexican Government trusts Judge Pfaelzer's ruling, as well as the rejection expressed by the U.S. Federal Government regarding these initiatives, will help eliminate the discriminating effects derived from them."

The SRE said that, since it is possible that the case may reach the U.S. Supreme Court, the Mexican authorities will continue to follow up the process, similar initiatives in other states, and the proposals tending to duplicate them at federal level, through the 40 Mexican consulates in our neighboring country.

In a press communique the SRE added that the Mexican Government reasserts its pledge for the defense of migrant workers' dignity and human rights, and it reasserts its determination to continue a constructive dialogue with the authorities in Washington on the migration phenomenon:

"This will undoubtedly advocate the proposal of concerted solutions that guarantee a dignified and respectful treatment for our citizens, and a recognition of their contributions to the U.S. economy and culture."

For now, the sections of Proposition 187 in force are those which classify as a serious crime, the production and use of false identification cards. This crime involves sentences of up to 5 years in prison and fines ranking from $25,000 to $75,000.

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Official: Raul Salinas Patrimonial Issue 'Complex'

PA3011031595 Mexico City Radio Red Network in Spanish 0000 GMT 28 Nov 95

[Report by Gloria Hernandez; from "The Night Monitor" newscast]

[FBIS Translated Text] [Announcer Martin Espinoza] We will go to Insurgentes Avenue South where the Secretariat of the Comptrollership and Administrative Development's building is located. Secretary of the Comptroller General Norma Samaniego's news conference has ended. It was summoned to speak of the alleged irregularities by Raul Salinas de Gortari. Gloria Hernandez is right there. Hi, Gloria.

[Hernandez] Hi, Martin. Everything can be summed up by the fact that there are clear indications of enrichment that do not match the income Raul Salinas de Gortari earned as a government official since the beginning of the current administration. The Secretariat of the Comptroller General is investigating this person's estate.

Norma Samaniego reported that on 24 November an administrative case against Raul Salinas was begun. He was duly notified and will have to explain the origin of his fortune in accordance with the public servant's responsibility law. The fact remains that after 13 declarations of estate [declaraciones patrimoniales] as a public servant between 1983 to April 1992, there was a considerable increase in the number of properties he holds, which doubled during his tenure. Up to three years ago he had declared 45 bank accounts with deposits totalling $7 million [as heard]. We shall listen to what Samaniego comments:

[Begin recording, in progress] [Samaniego] ...real estate, bank deposits, are not in proportion with his declared income [words indistinct] ordinary expenses. Part of this difference (?can be explained) from his own declaration of estate from a personal loan received from a private individual, which increases his holdings from 669 million old pesos in 1990 to nearly 7 billion pesos in April 1992. The name of the person granting the loan matches the two surnames — Gomez Gutierrez — with the name of the person in the passport of the account allegedly used by Raul Salinas de Gortari in some of his financial and real estate transactions. [end recording]

[Hernandez] Martin, this implies that Raul Salinas, among other crimes, also made loans to himself according to this false name.

Samaniego said that the patrimonial situation of Raul Salinas is very complex, adding that the investigation continues and that they will act without any hesitation on the case of Raul Salinas as well as all others. She said that she is fully aware of society's justified indignation toward the corruption of government officials. She clarified that the Attorney General's Office will investigate the links with drug trafficking, while the Comptroller General will follow up on illegal enrichment.

Samaniego said it is hard to say if former President Carlos Salinas covered up for his brother Raul, but that if that were the case, it will be investigated and he will be punished in accordance with the law. The Secretariat of the Comptroller General, she said, has not accused anyone, but will not exempt anyone involved in those crimes.

This is part of a summary on the financial status of Raul Salinas' patrimony.

[Espinoza] Gloria, another question many Mexicans are asking is where was Maria Elena Vasquez Nava in the years 1990, 1991, 1992, when Raul Salinas supposedly made all those patrimonial declarations. I wonder if reporters asked Norma Samaniego where former Comptroller General authorities were at that time.

[Hernandez] Well, Martin, only a few questions were asked. Samaniego only answered approximately four questions. There was no chance to ask her about that. We have stressed, however, that it was not until the beginning of the current administration that the Comptroller General began investigating this patrimonial situation. There were 13 declarations from 1983 to 1992, when Raul Salinas was a government official and there were already numerous contradictions between what he declared and his real income as a government official.

[Espinoza] There are still many doubts. Thank you Gloria.

Cuban Envoy Refutes Allegations on Salinas Investments

PA3011044795 Mexico City NOTIMEX in Spanish 0004 GMT 28 Nov 95

[FBIS Translated Text] Mexico City, 27 Nov (Notimex) — Cuban Ambassador in Mexico Abelardo Curbelo Padron today rejected press reports related to former Mexican President Carlos Salinas de Gortari having investments in his country's telecommunications and cement sectors.

According to the Cuban representative, the reports related to the former Mexican president alleged business and investments in the Caribbean country are mere speculation.

"Everything that is said with respect to that issue is ill-intended and affects relations between Mexico and Cuba. I would prefer not to continue speculating with

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respect to this in order not to put any obstacles in the development of relations between two countries that admire and respect each other," he added.

Curbelo Padron stated that in accordance to Cuba's legislation it is feasible for foreigners to invest in Cuba in various sectors but that the health and education sectors are excluded since these services are guaranteed to all Cubans by the state.

The Cuban ambassador explained that last year Mexican capital investments in the telecommunications and cement industry had been announced, but that these were strictly private and were never carried out by any public institution.

The ambassador also rejected allegations that some enterprises had allowed their names to be used as cover for the former president and commented that "to even believe that some of the corporations investing in Cuba are owned by Salinas is to fall into speculation."

When the Cuban Government accepts investments by foreign corporations, it carries out an in-depth investigation into the corporation in order to find out the origin of its capital and its banking qualifications, the Cuban ambassador said.

He explained that so far, in every case, the only thing that is known is that the corporations are Mexican and "that is all."

Finally, Curbelo Padron insisted that speculations on the issue should stop and ruled out the validity of versions with respect to alleged visits and investments by Carlos Salinas in Cuba.

Demonstrators Attack Municipal Palace in Tlaxcala

PA3011022995 Mexico City XEW Television Network in Spanish 0400 GMT 29 Nov 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Tonight in the city of Tlaxcala eight people were injured during clashes between security forces and residents of Santiago Michac, a town located near Tlaxcala. Residents in Santiago Michac are demanding that their community be given the status of municipality. The demonstrators attacked the Municipal Palace in Tlaxcala, and subsequent clashes resulted in eight injured people and considerable damage to the Municipal Palace. That is what we have to report thus far. Security forces have cordoned the building.

Neo-Liberal 'Counterrevolution' Threat Seen

96CA0057A Mexico City LA JORNADA in Spanish 21 Nov 95

[Commentary by Victor Flores Olea, former deputy secretary of foreign relations and now president of the National Council for Culture and the Arts: "85 Years After the Revolution: The Counterrevolution"; received via Internet]

[FBIS Translated Text] Has anyone in government circles, especially those in charge of economic affairs, heard of an epic achievement in our people's history that has been lost? Has anyone there wondered why it took place, what its objectives were, and how it shaped Mexican society over the course of nearly a century?

Has anyone in those circles ever heard that the Revolution took place to reclaim the wealth of the nation and, on that basis, to build Mexico's development, affirming its sovereignty and independence? Do they know that it was carried out to create a social and popular policy, institutions that would guarantee a secular, nationalist, and democratic education in which "the general interest of society" would be given priority? Are they aware that, in accordance with our *current* constitution, the Mexican State is the guarantor of the "country's balanced development," and that it established a mixed economy to ensure that balance? Do they even suspect that Articles 27 and 123 of the Constitution were written to lend dignity to the Mexican peasant and the working class, conferring upon them rights that were the most advanced of their time? Do they know that there were Mexicans—Lazaro Cardenas, for one—who thought the main purpose of governing was to defend the country's institutions, beginning with the sovereignty of the legal system, and the resources and dignity of the Mexican people?

Is anyone over there even vaguely familiar with the history summed up in the above words? Apparently not, not that anyone can see or feel. Some must certainly be thinking that we are talking about another country, some remote and abstract place that surely was not depicted on the blackboard when they learned their ABCs for the first and last time (John K. Galbraith used to say that economists are very "economical" in their ideas, and that what few they have are the ones they learned from their professors, which they never change). Of course, he and I are referring to specimens for which history does not exist.

Others, who know Mexico's past, do not "dare," in the sense that they have accepted silence and secrecy. And for what? For some invisible, secret efficiency? We will be able to see it, each in our own conscience.

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The fact is that the history we are talking about—the vision of the country we are talking about—has been totally denied and destroyed by an ad hoc ideology, an ideology that, in Mexico, is the ideology of the counterrevolution. It is not naturally fragile because during those days of learning at the blackboard, it embodied—and still does—the interests of a financial capitalism that forms the basis of the "globalism" that everyone talks about so much. Under this capitalism, speculation comes first, not production. Sovereignty is softened so that weak nations can be penetrated better; states are destroyed because they might put up some resistance; all public resources are privatized because they can better satisfy greed; social investments are liquefied because they do not obey the laws of the market and are to a certain extent beyond its control.

This year, as we mark the occasion of 20 November, we see: Mexico under the worst foreign subjugation this century (with proconsuls from the World Bank and the International Monetary Fund overseeing the daily affairs of our public institutions). An economy vanishing, thanks to money racketeers who receive a belated response, if any, only after they have already had their fill. Official pronouncements still trying to hide the reality of a disaster that will inevitably blow up in their faces. Millions of wage-earners whose buying power plunged by more than 50 percent between 1985 and 1994, and for whom real wages plummeted by a further 50 percent in 1995 alone. Two million more unemployed, and a production sector—which was built over decades that also required many sacrifices from Mexican peasants and workers—on the verge of collapse. Except, of course, for the big corporations with the best defenses.

And of course, on this 20 November we are seeing a wave of new privatizations (the next-to-the-last garage sale?): Ports, airports, the petrochemicals industry, and as if that were not enough, key segments of Social Security. (In Great Britain during Margaret Thatcher's days, much of the public sector built by the Labor governments was privatized, but even under that "inventer" of neo-liberalism, privatizations were subject to strict standards and regulations. It is now obvious that the same is not true here: Did the privatized banks become more efficient? Four out of every five customers would say no, not to mention the usurious charges for their services, and the fact that many beneficiaries were undeserving. Says who? Guillermo Ortiz himself. Telephones? Three out of every five customers would say no, so far. TV Channel 13? For a bad imitation of the principal monopoly?)

All indications are that this "new wave" of privatizations has been carried out much more for ideological reasons than technical ones. The arguments wielded thus far seem terribly flimsy, and the technical foundation has sometimes been absent entirely. That is true of Social Security, as is beginning to become apparent. For this reason, the most conscientious trade unions (those of Social Security and Pemex workers) are raising a veritable protest, a broad mobilization to prevent it.

Those privatizations, which are legal reforms, should go through both houses of Congress. This is a unique opportunity for the legislative branch to begin affirming its dignity as we make the transition to the democracy we desire (I am speaking above all of the majority in Congress), rather than simply repeating the automatic votes that have caused so much harm to that majority. (Do the PRI deputies already know that, thanks to the increase in the value-added tax from 10 percent to 15 percent, and for the more general reasons of the economic catastrophe, the Treasury collected considerably less than expected on that tax?) (Will the teaching of proper ethical and political behavior return, and will we see a modicum of defense of the institutions that once upon a time gave meaning to the Institutional Revolutionary Party's very name?)

Eighty-five years later. Not, of course, for history to stand still. That would be absurd and impossible. But what we have now is the exact opposite: A profound counterrevolution. A counterrevolution that has merely "opened" us up to a vacuum of institutions, to the denial and destruction of the best of what had been built. A counterrevolution that has threatened the very survival of our autonomous decision-making capacity. A counterrevolution that renounces the function of the state and surrenders the country and its institutions to the market, as if it had not been proven time and time again that this is precisely what concentrates wealth and exacerbates poverty in countries like ours. And that that is not the best place to deposit the social security of any country.

On this eighty-fifth anniversary of the Mexican Revolution, the ideology of the counterrevolution has been imposed temporarily. It is no longer a question of mankind's "deviations" or "shortcomings." This is specifically an ideology that runs counter to everything this country has been throughout this century, and that systematically denies and destroys what we have been. And that has brought us to the edge of the abyss.

Shortcomings Seen in Economic Model

96CA0058A Mexico City LA JORNADA in Spanish 21 Nov 95

[Commentary by Alberto Aziz Nassif, political sociologist on the faculty of the Mexico City Center for Ad-

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vanced Research and Studies in Social Anthropology: "What Are the Merits of the Economic Model?"; received via Internet]

[FBIS Translated Text] How can the success or failure of an economic model be measured if not by its results? How can results be considered effective if not as a function of their contribution to the well-being of the majority of the population? How can people continue supporting a model that has impoverished the majority, concentrated income at very high levels, and is endorsed only by a handful of domestic groups and by international financial organizations? Opposition is growing daily to the economic model that the Zedillo administration is trying to maintain as a millstone around the country's neck. The social costs are rising constantly, and the indebtedness that the government has to incur in order to sustain the program is causing increasing social polarization, a significant loss of national sovereignty, and a completely uncertain future.

The latest news is impressive: The government will channel money into national banks to help them survive the crisis. For that amount of money, it could buy them back at twice the price the private entities paid for them: 17 billion new pesos in Investment Units (UDI), 13.4 billion new pesos for the Immediate Support to Bank Debtors (ADE) program, 32 billion new pesos for buying up past due loan portfolios, and 7.4 billion new pesos for capitalization (Reform of 11/20/95). In view of this plan, what was the sense in privatizing the banks? The amounts are so huge, they are like pouring a bucket of cold water on the government's optimism: The fall—it can now be called the plunge—of the GDP between July and September was 9.6 percent, three times greater than projected. Not only that, but government spokesmen are still living in never-never land; Treasury Secretary Guillermo Ortiz testified before Congress that the low growth in the last 13 years did not mean the failure of the model. Perhaps the most important aspect of that session of Congress was the skepticism of legislators of all stripes towards the economic policy criteria for 1996 (LA JORNADA 11/18/95). Moreover, in the last few weeks two more flanks have opened up to continue extending the logic of the Mexican neo-liberal model: The demise of what is left of social security in the reform of the Mexican Social Security Institute (IMSS), and the privatization of whatever is left to sell—railroads, airports, and secondary petrochemicals, in other words, the privatization of a key part of Pemex.

The results of the model are plain to see: In his article "Betting on Neo-liberalism," which appeared in a collective publication of the Center for Studies on Government Reform, Armando Labra evaluates the last four presidential terms by dividing them into two groups, 1971-1982 and 1983-1994. Contrary to what one might expect, most economic variables were better during the first period, not only in terms of economic growth, but also per capita GDP, public and private investment, and low inflation, not to mention wages and workers' share of national income, which dropped from 37.4 percent to 27.4 percent. One of Labra's conclusions involves the way the change in the model was brought about, that authoritarian obsession with destroying periods in the country's history and in its economic structure, the decision to make us once again "exporters, speculators, privatizers, and deregulators by decree."

In the last three presidential terms, the government wielded the argument that there was no other economic model, and that neo-liberalism was the only way. Now, diverse groups in civil society have organized to put together a different model of economic development, known as the Referendum for Liberty. I will not expound on it here, as I have commented on it previously; I simply want to emphasize that this is an alternative model that looks to the domestic market, job creation, and the salvaging of the productive apparatus, or whatever is left of it. It is not a question of a mere change in models because a better one has been found, but of the need to discuss this proposal and others in depth, and to enrich them with many visions and analyses. It is important to point out that the old argument that there is no other way just does not wash anymore. If Mexico were a democratic country, the mass media might have opened up their informative programs to this proposal, but since it is not, the media, or at least private television, have not allowed the citizenry to become familiar with this proposal. It is clear that civil society must seek its own means of socializing its programs, now that we know that there are alternatives. But that is not the problem; the problem is the balance of power, in which we must determine which economic, social, and political forces can push for an alternative, at what time and by what mechanisms.

For now, we are beginning to have other maps, clearer signposts to tell us where to change course, although we still need a convergence of social forces to promote a change in the economic model. Now that we are celebrating the 85th anniversary of the beginning of the Mexican Revolution, this is a good time to ask: What are the merits of the current model that have not appeared after 13 years, except for a few beneficiaries?

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El Salvador

President Defends Police Action During Recent Clashes

PA2911200195 San Salvador Teleprensa Television in Spanish 1900 GMT 28 Nov 95

[News conference by President Armando Calderon Sol with domestic reporters on 28 November, place not given; broadcast in progress — live or recorded]

[FBIS Translated Text] [Calderon Sol] We have to avoid these incidents. We must remember that no one has the right to take hostages or to seize installations. A criminal action was taking place. The law was being broken and the rights of people were being violated. The National Civilian Police [PNC] had the obligation to enforce respect for law and authority. There was a conflict of interest.

This is something the Salvadorans have to resolve intelligently. This cannot be done with clashes and abuses. The PNC exists to enforce the law. I want to tell everyone that things are different at the moment: Now there is political room for dialogue. It is not through force that we can secure objectives. It is regrettable that there are sectors that still want to use force and issue threats of violence, as in the past. This was understandable in the past because there was a war and an uprising, but now we have a democratic and free conditions. [reporters shout questions]

[Moderator] One question at a time, please.

[Calderon Sol] We are investigating that. Investigations are in progress.

[Reporter] Regarding the country's general public security policy—it is the PNC inspector general who will determine whether or not the riot policeman was at fault when he fired that shot?

[Calderon Sol] Regarding our public security policy, every government has its own public security policy. My government wants to enforce respect for law and institutionality, for democracy. We have said we are going to live in a lawful state. This is my style of government. We are working in this direction, consolidating the democratic process. What happens is that many people do not understand what democracy means and what a lawful state is and they want to use force and violence. We reject the use of violence and force to claim rights or alleged rights.

[Moderator] Please, show respect: One question at a time. Carlos Dominguez, of Radio Maya Vision.

[Dominguez] The action of that policeman at the Protection Fund Building may have been an isolated action and could be attributed to personal confusion or failure and be the responsibility of an individual, not of an institution. Could this be an indication, in general terms, that the public security recommendations for El Salvador issued by the UN Mission at your request, should be reevaluated and reconsidered?

[Calderon Sol] We are analyzing the PNC and the Mission's recommendations and we are open to restructuring public security. We believe that a strong, respected, and loved, but also feared public security force is most important for Salvadoran democracy and for the democratic future of the country. Authority must be respected. We are not going to build democracy by doing as we please. I cannot seize a building just because I feel like it. I cannot become a hero by seizing hostages. I cannot be a hero by kidnaping someone. We have to live according to the law, whether we like it or not. The president and the government have the obligation to enforce respect for institutions and the law. We condemn the use of force and we regret that simple people are letting themselves be manipulated by evil people, making them participate in such actions as the seizure of offices and the kidnapping of innocent employees.

[Moderator] Romeo Lemus, Canal Seis Television's "The Newscast."

[Lemus] Some political parties are saying that a conspiracy is going on within the PNC. This morning the Farabundo Marti National Liberation Front [FMLN] made public a document that, according to the FMLN, has been sent to the various PNC units, including Unit One. The document has been signed by Subcommissioner Francisco Parada Batres. The FMLN says the document contains orders from the subcommissioner to take action against groups that carry out demonstrations or seize buildings. The FMLN calls this a dirty war and says there are orders to wage a dirty war in the country. What is your opinion on this?

[Calderon Sol] An effort is being made to politicize this situation to take advantage of it. I will wait for the results of the investigations. I think we must have the common sense to wait for those results to know what happened, how it happened, and who gave the orders. This has to be investigated. I could tell the FMLN: Gentlemen: You want to destabilize the country. There are FMLN people in the PNC. Could it be you who are involved in police brutality to destabilize and screw [joder] the government? If we embark on a fault-finding spree back and forth, all we will accomplish is the discrediting of the PNC and other institutions dear to us. I think we should cooperate and let the PNC function to prevent the seizure of buildings, the taking of hostages, kidnappings, and other actions we cannot accept.

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We all need to agree that there are laws and that the police have to enforce the laws. I regret any FMLN controversy over this. I think it would be better if we cooperate to consolidate democracy.

FMLN Reports Plan To Destabilize Government

PA3011031695 San Salvador Radio Cadena Sonora in Spanish 1730 GMT 28 Nov 95

[Report by Manuel Pacheco; from the "Sonora Newscast"]

[FBIS Translated Text] Farabundo Marti National Liberation Front [FMLN] deputies have reported the existence of a plan to destabilize the government of Armando Calderon Sol, as is revealed by a memorandum sent by Francisco Orlando Parada Batres, second chief of the Public Security Division, to the chiefs of the Metropolitan Precincts Unit 121, GRP [expansion unknown], and Umo [expansion unknown]. Deputy Gerson Martinez felt that the kind of actions taking place in the country could generate a dirty war.

[Begin Martinez recording] We are finding leads everywhere, and this memorandum is one of the strongest leads, that we may have a trend leading to what may become a war, a return to the past and a war. [end recording]

Deputy Miguel Angel Saenz Varela, in turn, has said that a coup d'etat on President Calderon Sol may be on the making.

[Begin Saenz recording] We have no doubt that all those rumors, that did not just circulate last week but this week and even yesterday noon. The deployment of military units, trucks, and armored personnel carriers in different areas of the country — which we watched on repeated occasions on Sunday, Saturday, and even yesterday — no doubt falls within the framework of this plan. We have no doubt about it.

The idea is really to discredit and mar the democratic transformation process that started with the compliance of the peace accords, to return to the past, to make the Armed Forces play their previous role instead of limiting them to the functions established by the Constitution — merely to defend our sovereignty and the integrity of national territory. This means that there are people who want to return to the past, to an authoritarian government, excluding others, based on repression, a dictatorship. That is the reality.

I could not say who would do it, but it must be forces that truly do not want democracy in the country; do not want a true transformation of the country; do not want the peace accords to have the scope they have had; and do not want us to live in a democracy with liberty and respect for human rights. Those sectors.... [end recording]

The FMLN totally rejects being involved in the destabilization of the country by taking advantage of Decree 471 of the voluntary resignation law. Kirio Waldo Salgado has also been involved in this matter as the main instigator of union members.

Panama

University Students Stage Demonstration at U.S. Embassy

PA2911201495 Panama City Telemetro Television Network in Spanish 1730 GMT 29 Nov 95

[FBIS Translated Text] A group of students involved in political movements at the University of Panama picketed across the street from the U.S. Embassy on Avenida Balboa.

A multitude of control troops arrived at the scene and cordoned off the embassy to prevent any forceful actions by the students. Amid anti-U.S. slogans, the students rejected the negotiation of the U.S. military bases beyond the year 2000 and the cabinet ministers' salary increase.

Traffic on Avenida Balboa was backed up for the duration of the students' demonstration. The students left at approximately 1730 GMT after announcing that a demonstration will take place tomorrow and that it will end at the presidential palace.

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Argentina

YPF, British Gas Sign Pact on Falklands Oil Search

PY2911220995 Buenos Aires TELAM in Spanish 1631 GMT 29 Nov 95

[FBIS Translated Text] Buenos Aires, 29 Nov (TELAM) — YPF [Government Oil Deposits] and British Gas have signed an agreement to conduct joint surveys on the potential for hydrocarbons around the Malvinas Islands.

A YPF communique points out: "The two companies have committed themselves to work jointly on this project and to assess the possibility of participating in the tender for this area that has recently been opened."

The communique notes that the agreement was signed on 27 November in London by YPF President Nells Leon and British Gas Executive Director Howard Dalton.

The communique released by YPF states: "The two executives are extremely satisfied with the agreement."

The communique emphasizes that YPF "is very well acquainted with this region and British Gas has great experience in barren offshore geographical areas like those around the Malvinas Islands."

Interior Minister Discharged From Clinic

PY2911152795 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1353 GMT 29 Nov 95

[FBIS Translated Text] Buenos Aires, 29 Nov (NA) — Interior Minister Carlos Corach left the Fleni Institute shortly before 1045 today. He was discharged from the institute after having been admitted for 24 hours for lipothymia.

Upon leaving the Fleni Institute, Corach had a healthy expression on his face, and he will very likely resume his duties at his office in Government House on 30 November.

Genoud Reelected UCR Bloc Leader in Senate

PY2911161195 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1114 GMT 29 Nov 95

[FBIS Translated Excerpt] Buenos Aires, 29 Nov (NA) — The UCR [Radical Civic Union] senators have reelected, for the fourth time, Mendoza Senator Jose Genoud as the UCR bloc leader in the Senate. His term as UCR bloc leader will end on 10 December 1996. [passage omitted]

Leopoldo Moreau, a senator-designate from Buenos Aires Province, was appointed by the UCR bloc to occupy the post of Senate first vice president, a post usually occupied by a minority congressman.

Bolivia

Congressional Report: FELCN 'Corrupt,' 'Inefficient'

PY2911161095 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 29 Nov 95

[FBIS Translated Text] The Commission of Trustees that intervened in the Special Antinarcotics Force, FELCN, has issued a report saying that the agency was going from Cinderella to miserable, obsolete, and corrupt. The Commission of Trustees also said that the FELCN was negligent and inefficient.

The antinarcotics agency was the Cinderella of government institutions, but now it needs an urgent reorganization because its current budget, which is totally miserable, and its obsolete and negligent structure, which makes it fall easily prey to corrupt practices, has turned it into an inefficient tool to fight drug trafficking.

This is the conclusion of the report issued by the FELCN Commission of Trustees. The commission was appointed by the Ministry of Government to seek solutions and recommend actions seeking to reorganize the agency.

The commission started working on the issue on 3 November and, following a report issued by the commission investigating the case of the drug plane that left the country and headed toward Lima with more than four tonnes of drugs aboard, detected serious indications of a cover-up.

A few days later, Victor Hugo Canelas, government trustee and social defense secretary, confirmed that the irregularities affecting the FELCN were real, adding that a process of modernization was needed to change the situation.

An analysis of the situation at the FELCN is like the diagnosis of a disease. The agency was in a state that required deep changes. It was the Cinderella of government institutions, and then was affected by everything from negligence to inefficiency, Canelas said.

The secretary also said that the Commission of Trustees reported that the agency had problems resulting from lack of coordination between FELCN units and had problems with regard to the chain of command and concerning its miserable budget.

The report sent to the Ministry of Government suggested changes in the agency's regulations. They must be studied. The commission says that some items must be changed, Canelas said — refusing to confirm or deny that there were going to be changes in the FELCN

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leadership or state whether General Simon Sejas would return to his former position as FELCN head.

Brazil

Foreign Minister: U.S. Willing To Cut Trade Barriers

PY2911152895 Rio de Janeiro JORNAL DO BRASIL in Portuguese 21 Nov 95 p 10

[Article by Cesar Borges]

[FBIS Translated Text] Brasilia — The U.S. trade barriers created for Brazilian products are "still excessive," but the U.S. Government is already showing willingness to reduce them, Foreign Minister Luis Felipe Lampreia said. As a result of the decision Presidents Fernando Henrique Cardoso and Bill Clinton made in April to review trade relations between the two countries, the atmosphere currently reigning in the two countries is entirely different. According to instructions given in November by the two presidents, Lampreia and U.S. Trade Representative Mickey Kantor have signed a document in which the U.S. Government promises to facilite trade involving Brazilian products.

"We are aware that there is still a lot to be done in order to ensure that Brazilian products have more open access to the U.S. market. There are still excessive restrictions, but we will try to solve these problems, as is clearly stated in the reports we have handed our presidents," Foreign Minister Lampreia has said. The Brazilian negotiators have a trump card: the heavy deficit registered in the Brazilian trade balance with the United States.

Traditionally, the amount of products Brazil imported from the United States has surpassed the amount of Brazilian products exported to that country. Beginning in 1995, however, this balance became negative and the deficit registered during 1995 will probably total $1.7 billion, with no prospects that imports will decrease. [sentence as published]

Mauricio Cortes, foreign trade secretary of the Industry, Commerce and Tourism Ministry, said: "The increasing amount of U.S. products being imported by Brazil is a result of the country's economic stabilization and the changes occurring in the consumption profile of the Brazilian society. Instead of reducing this trade imbalance by restricting imports, we must eliminate obstacles to prevent the country from exporting more to the United States."

The obstacle that upsets Brazil most is the U.S. Government decision to levy a $492 tax on each tonne of Brazilian orange juice sold in the United States. In the negotiations held within the framework of the WTO, the only thing the U.S. agreed to was to reduce the tax by 15 percent before the year 2000, when the tax will drop to $418 per tonne.

CIA Official Reportedly Warns of Industrial Espionage

PY3011012295 Rio de Janeiro O GLOBO in Portuguese 27 Nov 95 p 4

[Article by Jose Meirelles Passos; all quotation marks as published]

[FBIS Translated Text] Washington — Officials of the so-called U.S. intelligence community, involving organizations ranging from the CIA to less-well-known agencies like the National Security Agency (NSA), believe that the recent phone-bugging case in Brazil — involving the Sivam [Amazon Region Surveillance System] project — should serve as an alert" for the Brazilian Government. In the opinion of those officials, the implications of the case go beyond domestic matters, raising doubts about the loyalty of subordinates of President Fernando Henrique Cardoso. They see it as a warning for the country, which should get ready to confront a growing demand for secret information within the government, behind the scenes.

According to the specialists, this search, will become increasingly intense and will be undertaken both by Brazilian groups and by allied countries, even the United States.

"As the Brazilian economy grows, achieving stability — giving the country more chances in the competition in several areas of commerce and technology — Brazil will more frequently become the target of espionage at several levels. For this reason, it must be alert, establishing a structure to protect its information," said a high-ranking CIA official to GLOBO.

The agency, which spent decades looking at Russia and other Communist countries trying to learn the number of nuclear weapons they were producing and the place where the weapons were being deployed, is becoming increasingly engaged in economic espionage on U.S. allies. U.S. commercial interests abroad have become a priority for U.S. foreign policy.

President Bill Clinton has recently ordered the CIA to devote more efforts to gathering information that can help protect U.S. interests — especially their competitiveness in tenders for large projects like Sivam. According to one of Clinton's advisers linked to the National Security Council, increasing attention is being given to developments in the economic sector:

"Competition is becoming increasingly stronger in this area. This is why we are interested in knowing in

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advance, for example, if the Brazilian Government is planning to devalue its currency, when it intends to do so, and by what rate. Interest rate changes are also monitored. Privatization is also another area. There are also the contracts for future projects and services in which U.S. firms will compete with French, Japanese, or German firms," the U.S. official said.

For months now, the Department of Commerce, the Treasury Department, and the White House trade office have received daily CIA reports on capital flow, along with economic and political evaluations of allied countries. From time to time there are reports on maneuvers by foreign enterprises that, in competition with U.S. firms over a contract, bribe public servants.

"The Sivam case is an example. We found out that the French were offering bribes to officials of the Itamar Franco government and we started to act. Our action was crucial at the time of the tender, and it certainly helped Raytheon win it, says a Department of Commerce official who has access to confidential CIA information.

Government To Create Intelligence Agency

PY2911174895 Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Nov 95 p 3

[FBIS Translated Text] Brasilia — President Fernando Henrique Cardoso will send to Congress in December a draft bill creating the Brazilian Intelligence Agency (Abin), successor to the National Intelligence Service (SNI). The new agency will rehire former spies through an examination if the administrative reform is approved in Congress.

A source from the government intelligence community explained to JORNAL DO BRASIL that the Abin will have fewer but better-trained spies, and most of them will be dedicated to detecting corrupt government officials. They will be infiltrated among lobbyists and Finance Ministry officials, and mainly attempt to detect corruption at administrative levels. "They will detect who is taking a bribe or a commission," he said.

Receipts

The similarities with the SNI are inevitable, but the context of its creation and the limits it posed by the Constitution do not allow the Abin to act on its own. Just like the SNI, the new agency will have secret resources to carry out its activities. The difference is that the National Accounting Office (TCU) will systematically audit the Abin accounts. This will create a curious situation: Even the bribes will have to be registered with receipts by the agents for the future control of the TCU. A spy who uses a hotel will have to do the same, even if he uses a false name.

The Abin will operate in the old SNI building, in the southern police sector of Brasilia. It has had a chief for six months: General Fernando Cardoso, a discreet Army officer who was Military Household chief during the Itamar Franco administration. General Cardoso comes from the Armed Forces intelligence community. He will prepare a draft bill for President Cardoso, recommending that the Abin be autonomous and subordinated only to the presidency, and totally unrelated to the military intelligence services.

The explanation is that the military ministers reached the consensus that with the creation of a future Defense Ministry by 1998, an intelligence central will have to be created. It will be subordinated to the future defense minister and it will coordinate — not command — the secret services of the Navy, Army, and Aeronautics Ministry. The idea of this central is that it will receive from the military only information that is of no interest to its own spheres of action. The Defense Ministry central will therefore act as speaker of the military spies with their civilian colleagues from the Abin. Until this central is created, the Abin and the military will help each other informally.

The main idea of the Abin is to guarantee for the president of the Republic information to help him make decisions. Its mentors believe that the future federal intelligence agency will be able to work most of the time with information available in the computer centrals of the ministries. The operations, the source said, will be restricted to strategic fields of administration, and, in theory, will fall within the framework of the law.

Tapping

This is one of the big issues: How will the Abin wiretap telephones if a court order is needed and it can only be authorized in criminal cases. "Nothing prevents us from sending people to listen, record, or film conversations in a restaurant or a meeting room," a Planalto Palace official said. "This could go slightly beyond the framework of the law, but it can easily be regarded as legal."

The other big issue is about the spies themselves. It will only be solved with the approval of the administrative reform. The Abin wants to recover, through a selection system that will be created with the reform, the former SNI agents in order to save time and money in training spies. According to the Constitution, those agents can only be hired through public advertisement and examination.

It so happens that with the dissolution of the SNI, as ordered by former President Fernando Collor, most of the intelligence service agents and analysts returned to

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their barracks, in the case of the military, or were hired by banks and large private companies. They carry out the same job and earn much more money.

German Economy Minister Voices Investor Complaints

PY2911215095 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Nov 95 p B3

[Article by Marli Olmos]

[FBIS Translated Text] German Economy Minister Guenter Rexrodt yesterday said that German businessmen who invest in Brazil are complaining a lot about the high interest rates. Rexrodt added that the investors also consider the Brazilian road and railroad infrastructure troublesome. He attended the opening of the Brazil-Germany Technological Fair for the Mercosur [Common Market of the South], Febral 95, in the Expocenter Norte exhibition pavillion.

The German businessmen complain of more things. They also complain about the high import tariffs. Germany is the country that invests second-most in Brazil. President Fernando Henrique Cardoso yesterday said during his speech at Febral 95 that "it is essential for Brazil that the German investments be oriented to technological development and research."

During the Febral 95 opening ceremony, Industry and Commerce Minister Dorothea Werneck said that the government will not attend to the petition made by the FIESP [Sao Paulo State Federation of Industries] to receive the same aid given to the financial sector. "There is no relation. Whn a bank goes bankrupt the economy of the whole country goes with it," she said. "Look at Venezuela," she said. The Febral 95 received $85 million worth of investments and it expects to receive 250,000 visitors by the weekend.

Taiwanese Information Service Director Interviewed

PY2911214895 Rio de Janeiro O GLOBO in Portuguese 24 Nov 95 p 23

[From the "Hand-to-Hand" column: Interview with Jenhwan Kao, the Taiwanese international information service director, by Juliana Iootty "during an unofficial visit" to Rio de Janeiro]

[FBIS Translated Text] [Iootty] Taiwan will hold congressional elections on 2 December, and the Kuomintang (the ruling party) cannot achieve a majority in Congress. If this happens, what will change in Taiwan's relationship with the PRC?

[Kao] If the ruling party does not achieve a majority in Congress, it could have problems in nominating a prime minister. Nevertheless, I do not believe the opposition will achieve a significant number of seats, to the point of changing the relations with the PRC. For example, I believe it is impossible for the independent movement, represented by the Democratic Progressive Party (DPP), to gain strength. They merely have seven seats and could gain 20 seats, at the most, during these elections.

[Iootty] What is the PRC stance toward these elections?

[Kao] The PRC says it will carry out a military exercise around Taiwan before the elections next week, attempting to influence and frighten those in our country who favor independence. It already announced that it would carry out another military exercise in March, before the presidential elections.

[Iootty] Taiwan's economy is among the world's most dynamic. How does a capitalist country live in the shadow of Chinese communism?

[Kao] After Taiwan was removed from the United Nations (following the entry of the PRC into the United Nations), we have maintained diplomatic relations with barely 30 countries since 1971. Before our removal, we maintained relations with 80 or 90 countries. This represents a problem for our relations, but it does not prevent our country's economic development. We are an Asian tiger, a rising economic power. We export significantly and contract manpower from Malaysia, Singapore, and the Philippines. About 500,000 foreigners are working in our country. We are not economically isolated.

[Iootty] How is the trade relationship between Taiwan and Brazil, for example?

[Kao] As far as I know, trade between Brazil and Taiwan totalled $1 billion last year. This merely represents a small portion of our international trade because we maintain economic relations with many countries in Europe and with Japan. We would like to increase our exports to Brazil and our Brazilian imports, but our political situation is a restraining factor.

[Iootty] Is the Taiwanese Government considering the possibility of reunification with the PRC?

[Kao] We believe Taiwan is part of China, but not the People's Republic of China, communist China. At this moment, there is a continental China and an insular China. We are divided like Germany was divided by the Berlin wall, and like the two Koreas. We would like to join them — but not now, because we do not like a communist regime. We want to join China after it becomes a democratic and peaceful nation.

[Iootty] Are there people in Taiwan who support independence?

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[Kao] They represent a minority. In addition, I believe we are independent. Our country was established 84 years ago and the PRC was established in 1949. We are the parent nation and they are our offspring. We came into existence long before they did.

Telecommunications Draft Bill Sent to Congress

PY2911145795 Sao Paulo AGENCIA ESTADO in Portuguese 1911 GMT 28 Nov 95

[FBIS Translated Text] Brasilia — The government today submitted to Congress a draft law that authorizes public tenders for exploitation of cellular phone services, use of new satellite orbit positions, access to satellites, and data transmission. Communications Minister Sergio Motta hopes that — if the law is approved this year — the first tender announcements will be published in April 1996.

The minister announced a package of decrees, resolutions and programs with which he intends to initiate a turning point in the slow process of inclusion of private capital into the sector. Some 350 people, most of them entrepreneurs, attentively followed the ceremony, which was attended by President Fernando Henrique Cardoso.

The draft law creates the minimum legislation that is necessary for actually starting to open the state monopoly. "The challenge for lawmakers will be to approve it after Congress is summoned on 15 December," Motta said. He added that the geographical location of concessions of cellular phone services — which will be eight to ten — are being studied.

Motta intends to publish an advertisement in December announcing the tender for use of a satellite orbit position that the International Telecommunication Union (ITU) has already assigned to Brazil. Brazilian enterprises, by themselves or in partnership with foreign enterprises, may apply to put satellites into orbit to meet the Brazilian market demand. Motta said he is "fighting" with the ITU to obtain more orbital positions for Brazil.

Minister Motta promised to send the main draft bill on telecommunications revising the current Brazilian telecommunications code when the congressional recess is over in February 1996. As for the privatization of the state telecommunications companies, the government study recommends that "27 state telecommunications companies" be regrouped into five or six new companies equally distributing profitable and non-profitable markets.

"We are calling them "babybras," Motta said jokingly, in reference to the U.S. babybells, the remnant companies of AT&T after the U.S. Government ordered its division to break the private monopoly it exercised. "Personally, I favor selling the shares of the new companies in the stock exchanges, and whoever wants a larger portion must be more aggressive in the purchase," the minister said.

Motta announced an investment program which foresees the investment of 37.5 billion reals [R] by 1999, and of R75 billion by 2003. In March he will begin a tour of Japan, Germany, the United Kingdom, France, Canada, and the United States to announce the program and to "aggressively" seek private resources in order to attain the investment goal.

President Fernando Henrique Cardoso urged the businessmen who were present at the ceremony to participate in the process. "I decided this for Brazil because the people so wanted it, and this process of partnership between public and private capital will take place," said President Cardoso. He concluded: "I hope that businessmen will also say "I decided this for Brazil, Mr. President."

Main Effects of Telecommunications Package Analyzed

PY2911152595 Sao Paulo AGENCIA ESTADO in Portuguese 2028 GMT 28 Nov 95

[FBIS Translated Text] Brasilia, 28 Nov (AE) — The following are the main effects of the telecommunications package that the government released today:

Cellular telephony — Band B remains reserved for exploitation by the private area. The bill sent to Congress simply authorized the government to announce public tenders for concessions.

Radio Broadcasting — Rules for concession of radio stations, television channels, and other public services via radio (cellular, pager, trucking [preceding two words in English], and so forth). These will now be granted through tender biddings and the technical and financial aspects of the bidding companies will be taken into consideration. Concessions will have to be paid for from now on. The market has been divided into three segments (A, B, and C). In these segments, the financial proposal will become increasingly more important than the technical one.

Satellites — Tender announcements will be published for occupation of orbital positions that have already been granted to Brazil by the International Telecommunication Union. Brazilian enterprises, on their own or in asociation with foreign companies, can launch and exploit satellite communications. In order to exploit new satellite positions, however, the project must be submitted for congressional approval. The policy for the use of telecommunications satellites has also been created.

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Radio Frequency Spectrum — With the means currently available for division of radio waves, it is possible to obtain 30 million channels. By using new technologies and rules, this number can total as many as 180 million channels. A Communications Ministry resolution starts the process of reviewing the spectrum in order to expand it. The ministry expects an avalanche of concessions requests.

Cable TV — The government has put forth Law 8977/95, which creates the cable television service. This way, it opens space for concession biddings.

Further Reportage on Sivam Surveillance Project

PMDB Fails To Protect Miranda

PY3011011895 Sao Paulo AGENCIA ESTADO in Portuguese 2142 GMT 28 Nov 95

[Report by Joao Domingos and Rosa Costa]

[FBIS Translated Text] Brasilia, 28 Nov (AE) — The special Senate committee charged with investigating reports of irregularities in the Sivam [Amazon Region Surveillance System] project began work today and has already provoked a threat against the administration. Senator Jader Barbalho (Para State), leader of the Brazilian Democratic Movement Party [PMDB] in the Senate, today stated that his party has authorized him to propose the creation of a Congressional Investigating Committee (CPI). He also hinted at the possibility of asking for the lifting of bank secrecy on the accounts of former President Itamar Franco, some former and incumbent ministers, and all officials involved in the Sivam case. Sen. Barbalho said: "I will not accept a sham committee that would resemble an informal social gathering."

Barbalho reacted after losing to Senator Antonio Carlos Magalhaes (PFL-BA) [Liberal Front Party-Bahia], chairman of the special Sivam committee, in his attempt to protect Senator Gilberto Miranda (PMDB-AM) [Amazonas], the rapporteur of the Sivam project. The committee began with a secret session during which senators heard the Federal Police [PF] recordings of phone calls made from and to the home of former Planalto protocol chief Julio Cesar Gomes dos Santos.

Barbalho wanted the special committee to focus entirely on the Sivam project, but Sen. Magalhaes decided to hear the wiretapped recordings to determine if some government officials were involved in influence peddling and to verify the Sivam specifications. The PF "wiretapped" tapes revealed passages of conversation between Gomes dos Santos and Lider Taxi Aereo owner Jose Afonso Assumpcao that are damaging to Sen. Miranda.

The PFL and PMDB senators disagreed from the outset on the authorization to form the special committee on Sivam, which consists of the Economic Affairs Committee, the Supervision and Control Committee, and the Foreign Relations Committee. After failing in his attempt to protect Miranda, Sen. Barbalho took the offensive. He said: "This is a fake investigating committee. I will not accept it." He said that if an earnest investigation is to be conducted, the senators should create a CPI. He added: "The PMDB will support the creation of a CPI because it will not accept partial investigations." He contended that Senate President Jose Sarney (PMDB-AP) [Amapa] authorized the three committees to work together "with the only purpose of verifying the Sivam issue."

Regarding the lifting of bank secrecy on Sen. Miranda's accounts, who despite praising Sivam last year now opposes it, Barbalho said he would only concur with that if similar measures were adopted on former President Itamar Franco, his former ministers, and other officials linked to Sivam.

The PMDB intention of protecting Miranda became evident on 27 November. Barbalho and Sarney designed a formula that was tantamount to unofficially intervening in the Senate Economic Affairs Committee, whereby Sen. Miranda would be replaced by Sen. Ramez Tebet (PMDB-MS) [Mato Grosso do Sul]. Yet, the PMDB was surprised today by the decision of other progovernment parties, which did not accept the PMDB proposal to weaken the Senate special committee charged with investigating irregularities in the Sivam project. Instead of endorsing the PMDB proposal, the PFL and the PSDB [Brazilian Social Democracy Party] acted in keeping with what they consider a danger; that is, that if everything went wrong with the committee, it will be impossible to prevent the creation of a CPI.

Super Committee Reactions Viewed

PY2911150895 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 29 Nov 95

[Report by Flavio Figueiredo]

[FBIS Translated Text] The super committee that is analyzing the Amazon Region Surveillance System, Sivam, case has listened to cassettes with recordings of the phone wiretapping conducted by the Federal Police, and some congressmen who are members of the committee have become irritated.

The super committee investigating the project for implementation of the Sivam was installed on 28 November. The super committee's first meeting was held behind doors so that the senators could listen to cassettes supplied by the Federal Police with phone conversations

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recorded at the home of Ambassador Julio Cesar dos Santos.

Senator Jader Barbalho, leader of the Brazilian Democratic Movement Party, became irritated at having to listen to the cassettes. He thinks that this is not among the duties of the super committee. As a result, he said he will propose establishing a Congressional Investigating Committee, CPI, to look into the issue.

Leaders of the parties that support the government in Congress oppose the establishment of a CPI, as does Senator Antonio Carlos Magalhaes, who heads the super committee. They think that the CPI could hinder debates on constitutional reforms, which they believe are more important for the country. They also think that all steps of the investigations can be taken within the framework of the super committee. This committee will also listen to testimonies of all who are involved in the Sivam project, including the testimony of Ambassador Julio Cesar dos Santos and that of the representative of Raytheon, the company that won the bidding for implementation of the Sivam project.

President To Convene Defense Council

PY2911231295 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 29 Nov 95

[Report by Luiz Augusto Mendonca at Planalto Palace]

[FBIS Translated Text] Presidential Spokesman Sergio Amaral has just announced that President Fernando Henrique Cardoso will probably convene next week a meeting of the National Defense Council to discuss the Sivam [Amazon Region Surveillance System] case.

Article 91 of the Constitution states that the National Defense Council serves as a consultative body for the president of the Republic on issues relating to national sovereignty and the defense of a democratic state. The council comprises the vice president of the Republic, the presidents of the two houses of Congress, the foreign minister, the justice minister, the planning minister, and the military ministers.

Senator Gilberto Miranda, the rapporteur of the Sivam case at the Senate Economic Affairs Committee, yesterday sent President Cardoso a report noting that the radar units specified for Sivam had been switched for similar units of lower quality, yet retaining the price quoted for the higher quality ones.

Amaral said the change was made after the administration agreed to switch the original radar units for similar models of the same quality, but at prices far lower than the original ones.

Amaral said President Cardoso is confident the investigations and examinations being conducted by the Senate committees on the Sivam case are going well. He noted that action will be immediately taken should any irregularity be detected; that is, the project may be suspended or canceled.

Late this afternoon, Senator Jader Barbalho, leader of the Brazilian Democratic Movement Party [PMDB] in the Senate, met with President Cardoso here at Planalto Palace. Speaking on behalf of the PMDB, Barbalho suggested the Sivam project should be canceled.

'Secret' Westinghouse Letter Surfaces

PY3011002395 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 29 Nov 95

[FBIS Translated Text] The Senate super committee that is investigating the charges pressed in connection with Sivam [Amazon Region Surveillance System] is now hearing former Planalto Palace Protocol Chief Julio Cesar Gomes dos Santos.

Dos Santos is the first person involved in the phone tapping case to be heard by the super committee. In the final analysis, he is the main player in this story.

He read a seven-page communique defending himself and raising doubts about the taped conversations.

One senator, however, asked that he listen to the taped conversations. Dos Santos could no longer deny it. He admitted that it was his voice.

[Begin recording] [Unidentified speaker] Is the voice your excellency heard your own voice?

[Julio Cesar dos Santos] Yes. [end recording]

Dos Santos said there are three different transcriptions of the same recording. He remarked that the Federal Police cut some stretches of the taped conversations, confirming that at least two phone calls were made from Planalto Palace.

The PMDB [Brazilian Democratic Movement Party] is now doing everything it can to neutralize the work by the super committee.

PMDB Senate leader Jader Barbalho asked President Fernando Henrique Cardoso to annul the Sivam tender, yet maintain the project with a new tender by the Air Force.

If the president agrees, the PMDB will give up its proposal to create a congressional investigative committee on the case.

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[Begin Barbalho recording] We hope our suggestion will be accepted, and this will eliminate the crisis. [end recording]

Presidential spokesman Sergio Amaral a short time ago confirmed the proposal by the PMDB leader, including the possibility of summoning the National Defense Council.

[Begin Amaral recording] The National Defense Council will not be summoned to discuss the cancellation of the contract, because the president is not planning to do that. The council will be summoned for the president to hear the council's opinion on matters being raised in connection with Sivam, because neither the government nor the president are aware of any irregularities. [end recording]

The hearing of Julio Cesar dos Santos has just ended. From the Senate, reporter Alexandre Garcia filed this report:

Before leaving, dos Santos said he sees nothing wrong in hitching a lift in a small jet to the United States, remarking that he knows that many government officials receive airline tickets as gifts.

The session continues. The committee has just begun to hear Commander Jose Afonso Assumpcao, the president of Lider Taxi Aereo. He is defending the Sivam project.

Yet the Sivam project can be set on fire. Senator Gilberto Miranda, the rapporteur of the project, sent a letter to President Cardoso charging that the Westinghouse radar units were overpriced from $74 million to $165 million. He added that two presidents, Itamar Franco and Fernando Henrique Cardoso, all the senators, and the rapporteur have been deceived by the Sivam committee.

The president sent the letter to the Aeronautics Ministry, asking for clarification.

Now, however, a secret Westinghouse letter has appeared. The letter was sent to the Strategic Affairs Secretariat of the Presidency on 21 April. A copy of the letter was sent to the Brazilian Ambassador in Washington.

The letter says the process was unfair and irregular because the Sivan committee chose Martin Marietta radar units, which were untested prototypes that have not proven to be useful in the Amazon region.

Roundup of Economic Reports Through 24 Nov

PY2811181895

[FBIS Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 24 November:

Basic Leading Indicators

Technology Purchase Cost Noted — The amount of money Brazilian companies spend to purchase technology has increased significantly this year. According to the Central Bank, the country spent $338.3 million on the purchase of technology in the January-June period. This amount was 113.4 percent higher than what the country had spent from January to December 1992, 50 percent higher than what was spent during the year of 1993, and more than 90 percent higher than what was spent in 1994, when Brazil spent $367.2 million on the purchase of technology. Brazilian companies, as well as the multinational firms working in Brazil, have never before spent so much on the purchase of technology. Former state-owned Minas Gerais Iron and Steel Mills, Inc. [Usiminas], for example, increased the number of contracts it signed in 1994 for the transfer of technology by more than 100 percent. This shows that the company is interested in improving its manufacturing processes and products and, to this extent, it will have invested $166 million in these areas before the end of the year. Of this total, $26.4 million will be invested in industrial automation, $12 million in research and development, and $27 million in informatics. Due to the Brazilian market opening, the Olivetti subsidiary in Brazil has introduced in its assembly line products that were first developed in Italy and only brought to Brazil one year later. According to National Institute of Industrial Property data, the metalwork area has registered the largest number of contracts for technology transfer. In 1990, the area occupied the fourth position in this regard, while the mechanics area was in the leading position. Now, however, it comes second. (Sao Paulo GAZETA MERCANTIL in Portuguese 20 Nov 95 p C1)

Reserves Reach Record Level — Brazilian international reserves closed the month of October with a new record level. Viewed from the perspective of the cash concept, which considers only resources that are really available, the reserves totaled $48.2 billion; in terms of the liquidity concept, which includes credit still to be received, the reserves totaled $49.6 billion. From January to September, the international reserves had an accumulated increase of $10 billion. This increase is equivalent to the surplus Brazil registered in its balance of payments from January to October. This surplus can only be obtained through the investment in the country of volatile capital or, in other words, short-term investments attracted by high interest rates. Up until September, of the overall $23.6 billion in net investment, $16.2 billion was short-term investments and $1.5 billion was earmarked for stock market transactions. According to a Central Bank analysis, the trade balance behavior has been responsible for a reduction in the current transactions deficit. After

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reaching the level of $5.6 billion from January to March and $6.2 billion from April to June, the level stood at only $1.9 billion from July to September. During this last period, there has been a trade balance surplus of $812 million after six consecutive months of deficits. (Sao Paulo AGENCIA ESTADO in Portuguese 2212 GMT 23 Nov 95)

October Monetary Expansion Reported — The greatest monetary base expansion so far this year was registered in October. Considering the average daily balances, the monetary base increased by 8.3 percent, thus accumulating a 26.7-percent expansion in the last 12 months. The second largest expansion was registered in July, when it grew by 4.9 percent. Of the two components of the monetary base, the one that grew most was that of bank reserves, which totaled 17.1 percent, while the volume of printed currency grew an average 3 percent. Comparing figures at the end of the month, the monetary base increased 14.1 percent in October. (Sao Paulo AGENCIA ESTADO in Portuguese 1421 GMT 23 Nov 95)

Financial Operations

Foreign Investment Flight Discussed — A record amount of foreign investment has left the country in October. This resulted in the largest negative balance in Annex IV, which measures the flow of foreign investment in the stock markets, since the month of March. During the month of October, $2.333 billion was invested in the country, $3.093 billion left the country, and the negative balance totaled $760.1 million. According to Wladimir Castelo Branco, Securities and Exchange Commission superintendent general, this deficit is still a reflection of the series of measures adopted by the Central Bank to restrict foreign investment in the Brazilian capitl market. As a result of the October deficit, the balance accumulated in Annex IV dropped from the $12.281 billion registered in September to $11.521 billion. The overall amount invested in the country currently totals $18.969 billion instead of the $19.751 billion balance registered in September. Most of this capital — 86.51 percent, totaling $16.411 billion — has been invested in the purchase of shares. In second place comes the purchase of debentures (7.22 percent, totaling $1.37 billion). Most of the resources have been withdrawn from the Chase Manhattan Bank ($1.325 billion in one month). In September, the amount of investment made through this bank totaled $4.414 billion, while in October it dropped to $3.089 billion. (Rio de Janeiro O GLOBO in Portuguese 21 Nov 95 p 30)

Telebras Sells Euronotes — Brazilian Telecommunications, Inc. — Telebras — will open new markets for foreign investment in Brazilian financial enterprises and institutions: the Italian lira market and the Swiss frank market. Beginning in November, the Central Bank authorized Telebras to issue up to $32 million in euronotes, with two- and three-year terms, in those currencies. This is the first time since October 1993 that Telebras has operated in the international market. In 1993, Telebras sold 20 billion yen (equivalent then to $200 million) in eurobonds. (Sao Paulo GAZETA MERCANTIL in Portuguese 17-19 Nov 95 p B1)

Investment in Infrastruture Offered — On 20 November, the Rio Grande do Sul administration presented to some 1,200 Brazilian and foreign entrepreneurs several opportunities for private investment in the state's basic infrastructure development. The seminar, which was entitled "Promising Partnerships," was centered on franchising proposals and the opening of state government capital in the areas of sanitation, energy, telecommunications, ports, and highways. According to Rio Grande do Sul government calculations, the adaptation of these areas to the needs of the users and the productive sector will demand investments of $1 billion per year. In the sanitation area, the state government presented a decree transferring to the private area investment in the area of water supply and treatment, improvement of the water distribution system, and installation and reading of water consumption meters. Initially, the operation will be developed in eight municipalities of the metropolitan area of Porto Alegre, which are served by the Rio Grandense Sanitation Company, and will require a 90-million real, R, investment. Franchising for five irrigation systems in the interior of the state is also contemplated. Possibilities of partnership in the area of energy include the sale of up to 49 percent of the shares of the State Electric Power Company, CEEE; investment in the construction of terminals for the Bolivia-Brazil and the Argentina-Brazil gas pipelines: and investment in coal exploitation at the Candiota complex. A proposal for the sale of shares of the CEEE, which has a R2.8 billion capital and a yearly profit of R1.2 billion, has already been sent to the local Legislative Assembly. The Rio Grande do Sul Assembly has also received a request for the sale of 49 percent of the shares of the Rio Grande do Sul Telecommunications Company. This company, which is the only telecommunications company that is not linked to the Telebras system, has a R1.3 billion capital and a yearly profit of R650 million. The company is looking for partners to install 500,000 telephone lines before the end of 1998. In the transportation area, the government plans to transfer to the private area maintainance and exploitation work — for 15 years — of nine highway networks totaling 2,134 km. These highways can yield an estimated overall net profit of R1.088 billion over the 15-year period. Tender biddings will be opened

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for exploitation of the container pier, the oil pier, and the wheat and soybean terminals of Rio Grande port, through which 11 million tonnes of grain are exported per year. (Sao Paulo GAZETA MERCANTIL in Portuguese 21 Nov 95 p A3)

Roundup of Economic Reports Through 29 Nov

PY2911213295

[FBIS Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 29 November.

BASIC LEADING INDICATORS

Phone Service Price Adjustment — The government on 27 November announced the adjustment of telecommunications service prices. The cost of residential telephone calls rose by 513 percent to 3.74 reals, while nonresidential calls rose by 80 percent to 13.05 reals. The price of interurban phone calls rose by an average 22 percent. The price of local calls rose by 66.67 percent, while the price of cellular phone connections rose by an average 30 percent. (Rio de Janeiro O GLOBO in Portuguese 28 Nov 95 p 28)

FINANCIAL OPERATIONS

Commercial Sector Sales — The Sao Paulo State Federation of Commerce has reported that commercial sector sales in October rose by 1.47 percent on those in September. In previous years, the average growth in October, compared with September, was almost 3 percent. Compared with this average growth figure, sales in October dropped by 1.04 percent with respect to September. Federation of Commerce specialists said October 1995 was the seventh consecutive month in which retail sales stood below the expected level. (Sao Paulo AGENCIA ESTADO in Portuguese 2255 GMT 28 Nov 95)

Brazilian Investments Abroad — GAZETA MERCANTIL on 28 November reports that investments abroad dropped by 71.25 percent in the first quarter of 1995 compared with the same period in 1994. Central Bank sources say the main factors that restricted Brazilian entrepreneurs' investment abroad were the monetary policy adjustment, credit restrictions, and the stability of the Real. Between January and March 1995, Brazilians invested $25.9 million abroad, while in the same period in 1994, investment abroad reached $90.1 million. The Central Bank reported that until March 1995, total Brazilian investments abroad totaled $5.931 billion, of which $2.028 billion is in the United States and $310 million in Argentina. Most Brazilian investments abroad — $3.23 billion — are concentrated in services. (Buenos Aires TELAM in Spanish 1622 GMT 28 Nov 95)

FISCAL, MONETARY ISSUES

Proposal to Buy Bank — Excel Bank has formally submitted a new proposal to the Central Bank to purchase the Economico Bank, which has been run by a trustee since 11 August 1995. A new proposal had to be submitted in order to allow the Excel Bank to benefit from the Program to Encourage the Reorganization and Strengthening of the National Financial System. The Excel Bank proposal is still undefined, that is, the bank did not state how much it intends to pay for the Economico Bank, or what guarantees it intends to give the creditors. Several financial institutions and foreign investors are believed to be backing the Excel Bank proposal. (Sao Paulo AGENCIA ESTADO in Portuguese 2245 GMT 27 Nov 95)

Banerj Deficit — Private companies owe 300 million reals to Banerj — the Rio de Janeiro State Bank. Top of the list of companies that have not returned their credits are Jornal do Brasil Inc, which owes 43.78 million reals, and the Cotia Agricultural Cooperative, which owes 10.7 million reals to Banerj. (Rio de Janeiro O GLOBO in Portuguese 27 Nov 95 p 19)

Sao Paulo State Debt — The Sao Paulo State Government on 27 November arranged the sale of FEPASA — Sao Paulo Railroad, Inc. — to the federal government. The deal involves assets worth 6.8 billion reals. It is the first step toward agreement on the situation of the Sao Paulo State Bank, Banespa. The sale of FEPASA will allow the Sao Paulo State Government to reduce the 14 billion real debt it owes to Banespa. (Sao Paulo AGENCIA ESTADO in Portuguese 2036 GMT 27 Nov)

Chile

Government Seeks To Tighten Trade Ties With PRC

PY2911225595 Santiago EL MERCURIO in Spanish 27 Nov 95 p C3

[Report by special correspondent Maria Jose Errazuriz]

[FBIS Translated Text] Shanghai — Important biotechnological projects and forestry cooperation are reportedly among the new areas that the Chilean and PRC Governments will analyze during trade negotiations.

Starting the last leg of his tour of Asia in this active port south of Beijing, President Frei noted the importance he and his ministers assigned to the possibility of increasing the markets for Chilean agricultural products.

He pointed out, however, that this means Chile must increase its exports, which will be achieved by improving production.

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Production is closely linked to the certainty that the PRC and Japanese markets will import certain products that are currently affected by plant health measures.

Within the framework of the trade liberalization called for in the Asia-Pacific Economic Cooperation, the PRC could reduce tariffs by as much as 30 percent on certain Chilean vegetables and fruits.

Frei stated that Chile will make a special effort to strengthen trade with the PRC, and that to this end a permanent consul in Shanghai will be appointed.

Frei, the economy and agriculture ministers, the official entourage, and the business delegation left Beijing early on 26 November. They headed for the port of Shanghai, which used to be the most important commercial center in the area.

The buildings in Shanghai, which currently display amazing trade activity, still maintain their style as a result of the French and English occupation. Huge, modern crystal towers have sprouted alongside these constructions.

While First Lady Marta Larraechea went to Paris to attend an international forum on children, and Foreign Minister Jose Miguel Insulza returned to Santiago, President Frei carried out various economic activities in this city.

He will chair a meeting with businessmen on 27 November. Before leaving he will learn about the projects and plans for Pu Dong zone. During his return trip to Chile, he will make a stopover in Hawaii.

One of the achievements of Frei's tour of Japan, Malaysia, Philippines, and PRC, was that the markets of the region show signs that they will adopt a favorable position toward Chilean products.

Frei was amazed at the economic power of the PRC, a country which registers an annual growth rate of 10 percent, and a population that increases by 13 million each year.

The economic capability of the PRC has encouraged the Chilean Government to strengthen current relations. Chile wants to be ready for a market of more than 1.2 billion people when the PRC opens its market.

On 26 November, President Frei reasserted this by saying: "This country has great economic power and a market of vital importance for foreign trade in which to sell our products."

He added the PRC alone can absorb all Chilean exports, and even those exports could not cover the entire market. Consequently he suggested that Chile tries to get into this market through agricultural, fishing, and forestry products that are considered of major interest for the Chinese.

As the PRC imports a considerable amount of copper from Chile, Frei noted the PRC's interest in establishing joint ventures with Codelco [Copper Corporation] to deliver processed products rather than just the raw material.

Frei said trade with the PRC and Hong Kong amounted to nearly $800 million so far in 1995.

President Uses 'Broad Strategy' To Free PRC Trade

PY2911225795 Santiago EL MERCURIO in Spanish 25 Nov 95 p C3

[Report by special correspondent Maria Jose Errazuriz L., in Beijing]

[FBIS Translated Text] President Eduardo Frei and his retinue yesterday in this capital used a broad strategy to get the PRC to free its foreign trade and allow a greater exchange with Chile.

The top-level negotiations seek to get PRC authorities to eliminate some barriers, like the need for health certificates for Chilean agricultural products and, above all, the reduction of high import taxes.

Frei explained the Chilean objectives to the highest PRC authorities and, after meetings with President Jiang Zemin and Prime Minister Li Peng, reasserted Chile's desire to enter this market — the largest in the world — when it is opened to the world.

Frei said: "Chileans realize there are 1.2 billion future consumers here. Here in China, there are now 100,000 foreign investments. Thus, this is an exceptional market for our products."

Yesterday — unlike the icy weather on the day of his arrival — the temperature was pleasant. The chief of state explained the aforementioned policy to a group of Chilean and Chinese businessmen.

He told them about the need to universalize bilateral trade by increasing the number of products currently exported. He voiced his desire for Chilean products to enter this country under the same terms as Chinese products enter Chile.

As a preliminary step to this process, the Chilean and Chinese Governments signed three bilateral agreements, two of which will have a direct impact on trade and cooperation.

The first agreement seeks to promote economic relations by expediting maritime traffic between the two nations.

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For this, the two countries will allow the ships of their respective countries reciprocal treatment, no less favorable than that granted to ships of third countries in the field of services, loading and unloading in ports, and the payment of port fees.

In the forestry field, it proposes cooperation in the handling of plantations and of natural woodlands, among other issues. Culturally, it proposes a more active exchange of art exhibitions, encouragement for the translation of publications, the promotion of radio and television programs, and the creation of scholarships at various education levels.

Frei began his agenda by going to the impressive People's Palace, or Parliament, in Tiananmen Square, outside the Forbidden City, where he was received with military honors by President Jiang Zemin.

Frei later disclosed that he had the opportunity of assessing the existing cooperation ties on the use of nuclear energy for peaceful purposes.

Zemin assured Frei that he will attend the signing ceremony of the Nuclear Nonproliferation Treaty agreed on by the UN member countries in May. Chile, among other countries, requested an immediate moratorium in view of the nuclear tests by the French and Chinese Government.

The Chilean president said: "We reiterated the need for all countries to sign the nonproliferation treaty next year, and the PRC president said he was all for eliminating this type of test."

Regarding the two countries' performance in the concert of nations, they discussed the PRC role in its capacity as the youngest member of the Asia—Pacific Economic Cooperation, APEC.

They also discussed the role the two governments will play within the UN Security Council, now that Chile has become a non-permanent member.

Asked about the fact that the two countries have different political models, Frei asserted that one of the cornerstones of international relations is respect for the free determination of the people and the form of government they choose.

Frei added: "Obviously, we are all aware and agree on the need to respect democratic values, justice, and human rights, all of which are universal values."

Frei also assured Zemin that Chile will not change its decision to recognize the PRC before the government of Taiwan.

While the chief of state held a lengthy meeting with Chinese authorities during which they raised all subjects of the bilateral agenda, the rest of the Chilean delegation — headed by First Lady Marta Larraechea — visited the Parliament where 2,700 legislators assemble.

The building, built in barely 10 months in 1958, measures 171,800 square meters. More than 8,000 skilled workmen were involved in its construction.

Commentary Views 'Hemispheric' U.S. Military Plan

PY2911181495 Santiago EL MERCURIO in Spanish 23 Nov 95 p A2

[Commentary by Luis Munoz Ahumada: "Chilean Military Men or U.S. Policemen?"]

[FBIS Translated Text] General Augusto Pinochet's attitude during the 22d Conference of the Armies of the Americas brought to the forefront — within the current context — a hemispheric military project designed by U.S. democrats. The impact of this project on Latin American Armed Forces should be seriously assessed because it changes their role, overlooks their historical values, and effectively downgrades them to handling police functions at a national and international level.

Gen. Pinochet's address prevented a repetition of what happened in 1993, when those who participated in the meeting — with the exception of the Chilean Army — supported a U.S. proposal which would have allowed the United States to assume the defense of the continent, assigning the Armed Forces of Latin America to actions against drug trafficking and terrorism within their respective territories, and using them as UN "blue helmets" in cases of international crisis.

This time Argentina and Brazil sided with Chile and the conference did not vote on the issue to avoid any controversy.

The United States has designed an international strategy, seeking to consolidate its political and economic power worldwide. That nation anxiously watches the surfacing of great powers in Asia — like China and Japan — and in Europe, where the EU is headed by Germany. Current U.S. hegemony could not survive without a market capable of sustaining its economy. For that it needs Latin American countries to become integrated as a single and great market that depends on the U.S. economy. Moreover, it needs a continental fortress from pole to pole.

Latin America fulfills both needs and plays an essential role, which is why the United States tries to fully involve it in its strategic project.

Characteristic of any imperialist process, it will not give its vassal states the best treatment. While it will not

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use Theodore Roosevelt's "big stick" [preceding phrase given in English] policy, it will be a proper colonialist policy, concealed under well-planned pretexts. It will resort to American solidarity, the good-neighbor policy — with the rich neighbor concerned over its less fortunate friends, teaching them how to improve their living standards, ways, traditions, history, and idiosyncrasies.

The Latin American Armed Forces hamper the success of this plan, especially those with a high personal and professional standards that will quickly realize that behind the colorful curtains of development lies a patronizing policy.

Under Clinton's administration, the United States has openly promoted the project. Joseph Nye, under secretary of defense for international security affairs, clearly disclosed it during various international meetings. It was included, with surprising haste, in the Declaration of Principles released at the end of the meeting Latin American defense ministers on 25-26 July.

The thinking behind this project is that the possibility of conflict among Latin American countries has decreased thanks to democratic governments, economic integration, permanent relationships and, naturally, a powerful military, scientific, and economic U.S. presence. The fact that this great country will not allow any wars in its zone of influence is implicit. Thus, because there is little or no danger, the Latin American Armed Forces have lost their raison d'etre and their importance.

However, the great neighbor does not propose their elimination. Quite the contrary, they would have the transcendental role in struggling against the great threats that linger over Latin America that, in the opinion of the United States, consist of terrorism and drug trafficking. For this the Armed Forces will not need a powerful and costly arsenal, just enough U.S.-made equipment for police functions. The nations may thus reduce their defense budgets and use the funds for the development of their people.

This has an altruistic purpose: To improve the living standards of the peoples of Latin America. Reference is made to the convenience of promulgating constitutional reforms that will guarantee the subordination of the Armed Forces to civilian governments through the creation of organizations at a ministry level headed by civilians with a degree in military sciences.

The philosophy behind the program proposes a redefinition of doctrines and modifies the current status of the best-organized Armed Forces in the continent. The level of administrative independence attained by military institutions at a domestic level will be eliminated by proclaiming that all military issues should be made public.

In Bariloche, Gen. Pinochet disclosed the Chilean Army's viewpoints: The threat of conflicts has not disappeared and, consequently, the priority role of the Armed Forces continues to be national defense through dissuasion. With their acknowledged efficiency, capacity, and means, during times of peace they must help to fight underdevelopment and extreme poverty. Among the functions mentioned by Pinochet are the conquest of "Internal Borders," those areas neglected by development due to distance, economic, social, and other reasons.

If the suggestion by the United States to implement its project are assessed, one can see the steps taken by the Chilean Government regarding the Armed Forces almost perfectly fit the U.S. project.

It is worth while pointing out the contents of Principles Nos. 3 and 6 of the declaration of the defense ministers after listening to William Perry, U.S. secretary of defense. The first refers to "the Armed Forces subordination to democratic government authorities and respect for human rights." The other refers to "promoting greater cooperation in the defense field, including activities to maintain the peace sponsored by the United Nations, and a support role in the drug enforcement field."

Without the need for further assessments, one can see the Chilean Government is obeying U.S. orders with more enthusiasm than caution.

PS Central Committee Reaffirms Stance on Human Rights

PY2911135095 Santiago EL MERCURIO in Spanish 28 Nov 95 p C2

[FBIS Translated Excerpt] The Socialist Party [PS] Central Committee plenum has unanimously supported the performance of the board of directors concerning the treatment given to the human rights issue and has reaffirmed the decision to reject the idea of discussing it should the recommendations to the proposal agreed upon between the government and National Renewal be treated negatively by the Constitution, Legislation, and Justice Commission.

Moreover, the plenum also insisted on the need to support President Eduardo Frei's original draft bill on human rights, in which the trials for missing-detainees must establish the individual truth.

The disagreement between Foreign Minister Jose Miguel Insulza and PS President Camilo Escalona was also overcome on the occasion.

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Insulza participated in the plenum to submit his position concerning the remarks made on 14 November during the crisis between the government and his party. On that occasion, Insulza accused Escalona of having given another interpretation to the agreement of the Central Committee's plenum on 13 November, when the plenum agreed to reject the Figueroa-Otero agreement on the human rights issue.

On leaving the plenum, the foreign minister declined to make remarks on the matter, saying only that at this moment the most important thing is to maintain the party's unity.

At the beginning of the plenum, the PS president asked that the meeting be held within an environment of frankness and respect in order to avoid incidents. Nevertheless, the presence of the foreign minister was received amid a tense and cold environment, while the debate was characterized by full support for the peformance of the board during the crisis with the government and unanimous support for the position of rejecting the idea of discussing the proposal on human rights if the recommendations sent by this party are rejected by the commission.

Upon requesting the floor to explain his point of view, Insulza stressed the importance of internal unity, and expressed willingness to resign from his post if necessary to respect the party's position. [passage omitted]

Human Rights Commission Criticizes Pinochet's Remarks

PY2911212795 Santiago EL MERCURIO in Spanish 29 Nov 95 p C2

[From the "Political Notes" Column: "Criticisms to Pinochet's Remarks"]

[FBIS Translated Text] The Chilean Human Rights Commission has said that "the country does not need abstract lamentations," referring to remarks made by General Augusto Pinochet, commander in chief of the Army, on 25 November, that he lamented the death of his foes.

The commission added that the most important thing is to find the remains of the missing-detainees.

Leaders of the Human Rights Commission have said through a public statement that reconciliation in the country will be achieved only when there is a formal recognition of the events by those responsible.

Although they appreciated Pinochet's regret over the death of his foes, they said that he has kept silence concerning the tortures imposed on the victims and concerning the whereabouts of their remains.

"Any honorable human being knows that any prisoner cannot be mistreated nor killed, that when this is done by a military officer he dishonors his institution. This is how the Argentine Armed Forces have understood it when the Commander in Chief General Martin Balza publicly apologized for all the wrongdoings," they said.

Pinochet Interviewed During Armies' Meeting

PY2911173295 Santiago EL MERCURIO in Spanish 9 Nov 95 p A1

[Interview with General Augusto Pinochet, Army commander in chief, by special correspondent Patricio Gonzalez Cabrera during the 21st Conference of the Armies of the Americas in Bariloche, Argentina on 8 November]

[FBIS Translated Text] San Carlos de Bariloche, Argentina — The army commander in chief, General Augusto Pinochet, said on 8 November that he is not searching for a "law of expiration" to solve the human rights problem, but a definite solution to the problem which, he said, cannot continue to hinder the country's future development.

In an interview with EL MERCURIO and the Catholic University television channel, which are covering the 21st Conference of the Armies of America (CEA 95) — a gathering that began in Bariloche on 6 November — General Pinochet said that the search for a solution to this problem is not among his responsibilities as a military chief and that he has already given his viewpoints on this issue, which is essentially political. He added, however, that he is convinced that the solution must be based on "forgetting the painful events that have occurred in the past."

Pinochet also said he was surprised about the splits generated in the center-rightist parties as a result of the constitutional reform. He said it is "serious" to place "personal ambitions" above the permanent interests of the country.

Pinochet defended the current constitutional organizations, such as the National Security Council, and added that although he is not searching for a final "law of expiration," the solution is "to forget," as occurred in the 1891 civil war, with administrations that succeeded the one that won the bloody conflict having implemented "as many as three amnesty laws."

Regarding Sergio Buschmann's recent release, Pinochet said that the subject is under the jurisdiction of the Chilean courts and that he cannot give any opinion on it.

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He pointed out, however, that Bushmann's case should have been investigated further because now "everyone thinks he is a saint," forgetting that he has brought "60 tonnes of weapons into the country to conduct a civil war and kill Chilean citizens."

He added that the court ruling rejecting the theory of an armed clash during the so-called Albania operation indicates that, at the present time, each person "sees the movie pictures the way he or she wants to." He concluded by saying that there is no use continuing discussions of the issue.

Regarding Laguna del Desierto, Pinochet acknowledged that the administration in office at the time made appreciative mistakes before the Court of Arbitration. He added that due to these mistakes, President Eduardo Frei was unfortunately not able to do anything to defend Laguna del Desierto.

The interview with the Chilen media was held in one of the dining rooms of the Llao Llao Hotel, 23 km from Bariloche, where the official delegations attending the CEA meetings are staying.

A few minutes before leaving for the local airport to welcome his wife, Lucia Hiriat, Pinochet also granted a short interview to the Argentine media. Mrs. Pinochet arrived in Bariloche at 1330 on 8 November.

Here are the comments made by Pinochet during the 8 November interview:

Reforms

[Gonzalez] What dangers do you believe the Chilean Government and nation itself are currently exposed to? What is, nowadays, the role of the Army?

[Pinochet] There are always risks of a conflict, for economic, political, social, or administrative reasons. Any change between rival blocks can generate tension and lead even to a war. This can occur with regard to border conflicts, for example, but this does not mean that we are getting ready for a war.

"All countries have an army to ensure their sovereignty. Currently, however, people want the armies to do other things, or insinuate that they should, including tasks linked to politics."

[Gonzalez] Such as what has been happening with regard to drug trafficking?

[Pinochet] In addition to affairs linked to wars, the armies have always conducted other activities, such as cultural activities, social welfare activities, provision of aid during times of natural disasters, and provision of assistance to the people in general and assistance to people during rescue operations, thus saving them from difficult situations. All this shows that the Armed Forces have not lost their importance.

"The serious narcotics problem being faced by the various countries should be solved by the police. The police is the organization that should worry about this problem."

"Naturally, when drug trafficking becomes too big a problem and the police can no longer solve it, then the Armed Forces should help and cooperate to solve the problem. Once the problem is over, however, the police should resume its work and the Armed Forces go back to their duties."

[Gonzalez] In Chile, the Armed Forces are guarantors of the various institutions, in addition to being defenders of the national sovereignty. Some areas of society, however, doubt that.

[Pinochet] Of course the Armed Forces are also guarantors of the institutionality, because this way we can avoid problems similar to the ones that have occurred before.

"If there had been a National Security Council similar to the current one, there would not have been the 11 September 1973 conflict."

[Gonzalez] Some people are currently willing to modify this National Security Council.

[Pinochet] I don't mingle into this affair. This is something I do not mingle with.

[Gonzalez] Some members of the National Renewal Party [RN] and the Independent Democratic Union [UDI] assert that the Constitution is being dismantled through this reform. You have promulgated this Constitution. What do you think about that?

[Pinochet] Look, I have already made my opinion public in Congress. I will add nothing more. Everyone is aware of my viewpoints.

[Gonzalez] Are you against all sorts of changes?

[Pinochet] No, I am not against or in favor.

[Gonzalez] What do you think of the RN? What does it mean to you that the most important center-rightist party is currently split over an issue as substantial as the constitutional reforms?

[Pinochet] I think that it is somewhat regrettable. I do not mingle in the issue, nor have I studied it. I will only comment on what I have read in the media: Sometimes personal ambitions intermingle with national problems, and this is serious.

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[Gonzalez] Does this issue require the unanimous agreement of all areas of society?

[Pinochet] Don't ask me about these issues because they do not refer to my area. I think, just like all human beings, but not in terms of my solutions or my contributions. All I do is look at the facts, examine them, and watch how they develop.

[Gonzalez] As a person, however, do you agree that a solution must be sought?

[Pinochet] As a person, I tell myself: They will see more than they expect. I have already seen and solved the problems, and this is all.

Human Rights

[Gonzalez] Regarding the human rights issue, you said on 8 November that you could not make comments on political concepts. The project the RN and the government have reached an agreement on, however, would lead to reopening of hundreds of lawsuits. Do you think this will help in reconciling Chileans?

[Pinochet] Look, when a married couple has a difficulty or an external problem, and they talk over and discuss the issue, they reach an agreement and decide: I forgive you; I forgive you this mistake. And neither of the two ever mentions this issue again. Harmony is reestablished and the marriage continues; the problem is solved in the eyes of everyone.

"If the wife, however, accuses the husband every day, if she tells him this and that, they will continue quarreling all the time, not only once or twice or three times, but four and five and six times. This applies to all other situations in the world.

"When one wants to forget a problem, an offense, one is able to forget it and should never remember it again. Whenever a society adopts a similar attitude, it can advance in its history, develop. If there are, however, daily attacks, criticisms, posters, and so forth, this is not possible. There are no saints on either side. We have all made mistakes.

"We must, however, find out who has instigated this problem. We must seek out its roots. This investigation cannot start from our side.

"In other words, if I find a criminal, a murderer, in my home and I shoot and kill him, it would be wrong to file charges against me for killing him because the guy did not defend himself.

"It must be said in the trial that he broke the door, the windowpanes, that he entered the house, that he killed one person and then another. Charges should be based on the truth and not on half truths invented along the way."

[Gonzalez] From your point of view, which is better: To promulgate a law of expiration, or leave things the way they are?

[Pinochet] I am not talking about that. I am not looking for a solution. What I am saying.... [changes thought] I am not calling for a law of expiration, no. What I am calling for is an end to this situation.

[Gonzalez] Do you believe there will ever be reconciliation in Chile?

[Pinochet] Yes, of course. Look, in the wake of the 1891 war there were three amnesties, and it is very hard to make people remember that.

When I was young, no one remembered the 1891 war. My uncle Alejandro had lost a leg in that war and he no longer remembered it. The only solution is to forget problems. This is the only solution. Currently, some persecute us, others create committees to again analyze the issue.

"I know what this means to those who are having this problem. From the lawyers' point of view, it is wonderful to have trials and lawsuits every day."

[Gonzalez] What do you think of the solution that has been adopted by Argentina regarding your friend General Martin Balza, who publicly apologized to the country?

[Pinochet] Well, General Balza had another problem. I cannot get involved in that; it is his problem. We have discussed his reasons, but I cannot mingle into that.

Sergio Buschmann

[Gonzalez] Sergio Buschmann's release on parole was signed on 8 November.

[Pinochet] Nobody recalls that Mr. Sergio Buschmann has brought 60 tonnes of materiel into the country: rifles, ammunition, submachine guns, machine guns, light anti-tank weapons [LAW], and explosives. No one remembers that these were not meant for him to take home to have fun, or for target shooting. These weapons were meant to kill Chileans — this is something many of us have forgotten.

"And this has not been done without planning. Several enterprises have been created first; the entire operation has been planned somewhere else. Maybe I will tell the story about that.

"People have assisted him and a plan has been hatched by people who knew a lot about the issue. First, actions

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were taken by mining enterprises and then these actions expanded. Then, actions were taken by maritime enterprises, fishing companies. Then materiel was brought in and placed in the mining companies. Very well. What was that done for? To stage a revolution, to repeat chaos. No one remembers any of those things now. Everyone thinks Mr. Buschmann is a 'saint.' He was only in charge of executing the plan, and the other details of the operation should have been investigated further. I don't know what people are going to do. I do not mingle with the courts; this problem is theirs."

[Gonzalez] Regarding the so-called Albania Operation, the same court declared that there had been no clashes but murders.

[Pinochet] Well, each one paints the picture the way he or she sees it. If one sees it in colors, is is painted in colors. If he or she sees it in black and white, it is painted in black and white. Each one sees what he or she wants to see.

"Tell me Edmundo Perez Zujovic's murderers were saints, that they were idealists, and in this way we will go on inventing things. I don't want to go on talking about that."

Laguna Del Desierto

[Gonzalez] Let us go back to the national security issue. We have only one pending item regarding the Argentine borders. Do you believe the agreement regarding Campo de Hielo should be approved by congressmen of the two countries?

[Pinochet] I do not make comments on this sort of thing. I have already given my opinion on the issue once and will no longer do so. I have given my opinion once, sent it to the government, and I still have this document. What else do you want me to say?

"The political area is already taking action, the executive branch is acting, the legislative branch is acting. Why should I mingle in that?"

[Gonzalez] But what is your opinion in this regard? The Army has conducted studies on the issue....

[Pinochet] I have already told you. I have shed tears over that, tears of anger, of indignation. I was not angry about Argentina; I was angry at my own people. At those who have the responsibility to decide about the issue, at those who are heads of state. They are the ones who have the responsibility to make the decisions. I was angry at the previous heads of state, because President Frei inherited the package all arranged. What could he have done?

[Gonzalez] Was it a mistake to summon a Latin American tribunal?

[Pinochet] If, during a trial, a judge dictates a decision and then someone appeals the decision, the same judge will not review the decision. That will be done by another court, other judges. Here the same ignorant judges who made a decision once were the same ones who reviewed the case. What do you want me to do? What do you want me to tell you? Nothing. I cannot tell you anything.

[Gonzalez] Was it a mistake?

[Pinochet] Mistake? I don't know. I cannot tell you. I don't want to mingle in this affair. It is a government problem, and outside my area of action.

When I am asked about the issue, I give some reasons for my opinion. I am not asked about the issue, I do not make any comment on it. When I was asked about Laguna del Desierto, I gave them my reasons, and they were knowledgeable ones.

[Gonzalez] And your reasons were not taken into consideration?

[Pinochet] I don't know whether they were taken into consideration. And this is all I will say about the issue.

Carabineros Director Rusque Interviewed

PY2911200295 Santiago EL MERCURIO in Spanish 26 Nov 95 pp D4-D6

[Interview with Carabineros Director General Fernando Cordero Rusque by Raquel Correa; place and date not given]

[FBIS Translated Excerpt] [Correa] Has Chile really become a drug paradise?

[Rusque] I wouldn't say a paradise, but it has become a corridor. Unfortunately, cocaine paste, which from the socioeconomic viewpoint affects Category C [not further identified], is smuggled into the country. The heavier cocaine paste consumers come from broken homes, from homes with absent parents.

[Correa] Should drug consumption be regarded a crime?

[Rusque] Yes. We must decide whether to eradicate this problem completely or handle it half-heartedly. It must be eradicated!

[Correa] Should it be eradicated with preventive or repressive measures?

[Rusque] With preventive measures, and this is what the government is doing. We must encourage people to take up sports, to work... Of course, this consumer society

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in which we live contributes to the problem. [passage omitted]

[Correa] What do you think about the human rights proposal?

[Rusque] It is currently being debated in Congress. From the institutional viewpoint I cannot give an opinion. If I did I would be giving a political opinion which I am not entitled to do.

[Correa] Which do you think is more important: To leave the members of the Armed and Security Forces charged with violating human rights in peace, or to satisfy the victims relatives' need to discover the truth?

[Rusque] The two things must go together. Never forget you are talking to the Carabineros director general, who commands one of the social sectors most affected by violation of human rights. We have suffered many deaths; many!

[Correa] But you have also committed many crimes General.

[Rusque] No. Nobody has experienced more deaths than us. When someone talks to me about human rights I side with the victims. [passage omitted]

[Correa] General, how would you react if Carabineros officers dressed in plain cloths held a picnic on a Sunday in Punta Peuco, now that those found guilty of the "beheaded case" are serving their sentence there?

[Rusque] They will not do that. The situations are different. Now that they are in prison, I would help them as I would any prisoner if I could. I think everyone has rights that must be respected. Never forget that the institution called for the investigation.

[Correa] How would you term the crime?

[Rusque] Horrendous. So horrendous I never thought the Carabineros could be responsible. But the court said the Carabineros, as an institution, are not responsible for that crime.

[Correa] But General Mendoza was dismissed from the government Junta for this crime.

[Rusque] That was not so. Gen. Mendoza left the Junta voluntarily. He was not dismissed from the Government Junta.

[Correa] The chief of state asked General Stange to resign for the same reason...

[Rusque] At that time we issued a public statement asserting that Gen. Stange was not responsible whatsoever for that issue. That was confirmed by the court.

[Correa] You issued a very harsh declaration that was signed and read by you to the entire corps of generals...

[Rusque] Did you think it was harsh? Not at all. The declaration was addressed to the Carabineros.

[Correa] Not to the government?

[Rusque] No. The Carabineros are an obedient, disciplined, and non-deliberative institution. Our declaration was issued before the president met with my commanding officer.

[Correa] Does this mean that if the president had talked to Gen. Stange earlier, you would have not issued that declaration?

[Rusque] It is quite likely we wouldn't have done so. It is quite likely. The declaration was issued after hearing Minister Juica's ruling and after the director general was left to adopt the measures he deemed appropriate.

[Correa] Are you the sort of person to ask for forgiveness on behalf of the Carabineros?

[Rusque] The institution does not have to ask for forgiveness; it is not involved in anything as an institution. But our doors are open for those guilty of murdering 300 Carabineros officers to come and ask for forgiveness. What was the Carabineros officer who died in Puente Alto, in a bakers shop, near General Donoso's home, responsible for? The members of the institution guilty of crimes have been placed at the Court's disposal.

[Correa] How did the Carabineros feel from the time the Government "suggested" Gen. Stange should leave until the day he really retired? Was that a very uncomfortable period...?

[Rusque] Of course.

[Correa] Did the government punish the Carabineros?

[Rusque] No. Absolutely not. Do you mean punished by the government through a cut in our budget...? No.

[Correa] Neither you nor Stange were authorized to carry out institutional trips...

[Rusque] The president has the authority to make that kind of decision. To refuse to accept them means to deliberate. If the president or the defense minister gives me an order I must obey it. They are my bosses... Those were difficult times... I had to maintain the institution united but the declaration did not mention justice nor the government. We respect the government and justice.

[Correa] Are the Armed and Security Forces unanimous regarding the government's constitutional reforms?

[Rusque] ...

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[Correa] Should the Constitution be untouchable?

[Rusque] I believe men and laws can be improved.

[Correa] Do you think the amendments seek to restrict the Armed Forces's role as guarantors of the institutional order, as established in the Constitution?

[Rusque] Maybe. I believe these institutions are fine as they are.

[Correa] Do you act as a body within the Security Council?

[Rusque] Not necessarily. If that were the case there would be no purpose. I believe each institution must act independently.

[Correa] Are you in favor of eliminating designated senators...?

[Rusque] That is a political issue, merely a political issue.

[Correa] As they are appointed by the Council that comprises the commanders in chiefs and they represent the institutions, would it not be a loss for you not to have former military men in the senate?

[Rusque] We must be an obedient institution. If the Constitution is amended... we would not voice an opinion, we would abide by it and that is that. [passage omitted]

[Correa] Do you believe the inability of the president to change the commanders in chief is something that should never change?

[Rusque] No. I believe that is in keeping with the times. It is fine for now.

[Correa] But not for a normal democracy?

[Rusque] I do not think so. I believe a normal democracy will correct this procedure some day... All this is such a political issue... It is all pure semantics. The fact that I can or cannot be removed does not bother me at all. I fully trust in the government's good criteria.

[Correa] And for the future, do you trust in the next government, no matter which it may be?

[Rusque] It will be the government the people elect. That is not my responsibility. [passage omitted]

Correction: Labor Leader Interviewed

PY2411215295

The following correction pertains to the item headlined "Labor Leader Manuel Bustos Interviewed," published in the 22 November Latin America DAILY REPORT, pages 32-34:

Page 32, column two, penultimate paragraph, first sentence, make read ...and who were raised under extreme anguish: ...(changing "brought" to "raised"); and

Page 33, column one, third paragraph, second sentence make read: ...Why should I? In the past, I was never harassed by either the police, jail, or exile. It is all... (rewording)

Colombia

President, Lawyer View Extension of Prosecutor's Term

PA3011032195 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 30 Nov 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] The decision of the Council of State extending Prosecutor General Alfonso Valdivieso's term for four years pleased many people, but not all. Today, Antonio Jose Cancino, President Ernesto Samper's lawyer openly said he did not like the decision. Meanwhile, although he supported it, President Samper said he will not allow stabs in the dark to seek the truth. Let us hear the opinions of both the lawyer and the president.

[Begin recording] [Cancino] I was hoping that there would be a fresh start, a change in the Prosecutor General's Office, that we would have a new prosecutor general who would comply with the Constitution, which I think is not being done. Look, the entire process of justice in Colombia gravitates around the Case 8000. The country being worn down day after day through... [pauses] and when we look at the state of common justice, we see that it is absolutely abandoned. I sued the first prosecutors of the Prosecutor General's Office and I was successful. I hope and expect to be successful in the new lawsuit I will present once I am through with professional commitments I currently have.

[Samper] Neither somersaults nor leaps in the dark. What we need are institutional leaps to seek the truth without sacrificing democratic stability and without risking our well-earned prestige as a country of laws and a state of law. [end recording]

Magistrate De Castro, Prosecutor Valdivieso Interview

PA3011025195 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 29 Nov 95

[Telephone interview with Council of State Magistrate Clara Forero de Castro, and Prosecutor General Alfonso

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Valdivieso Sarmiento by Caracol News Director Dario Arizmendi; place not given—live]

[FBIS Translated Excerpt] [Arizmendi] The decision came as no surprise, and it was a very difficult especially after nearly four hours of deliberation, 12 votes in favor and 10 against. The Council of State determined that Prosecutor General Alfonso Valdivieso' term in office ends on 31 March 1998, and not on 31 March 1996. Of course this verdict has been received with great satisfaction and relief. Magistrate Clara Forero de Castro, who prepared the opinion by the Council of State, good morning.

[Forero] Good morning, Dario.

[Arizmendi] Does this ruling also include other officials who are confronting a similar situation in that they attained their current positions at the end of the terms of their predecessors?

[Forero] No, this ruling only refers to the case of the prosecutor general.

[Arizmendi] The voting was barely 12 votes in favor and 10 against, why was it so close?

[Forero] Dario, that is because all important decisions are always controversial and the issue under discussion was not an easy one. It was very complicated so that gave place to dozens of opinions.

[Arizmendi] Were you under any pressure while preparing your decision?

[Forero] No. None whatsoever. I never felt I was under any pressure.

[Arizmendi] How about the other magistrates? Did they feel any pressure coming from the public, the media, and various sectors claiming that if the ruling was not in that direction it would represent tremendous damages for the country and the government, especially from the international community?

[Forero] Most naturally I cannot answer if the other magistrates felt they were under any pressure. Based on my experience I can say they were not because as magistrates we are used to the fact that we must maintain our equanimity and impartiality. We must remain above all that sort of situations. It is natural that public opinion and the media will voice an opinion on some issues, but we as magistrates must maintain separate from all those opinions, and render based on the law, as we are supposed to do.

[Arizmendi] Was it a political ruling, or a legal ruling?

[Forero] It was a legal ruling over and above everything. We cannot do any thing else.

[Arizmendi] What were your grounds and those of the Council of State to rule the way you all did?

[Forero] Well, it would be somewhat difficult to explain all the arguments to the public, but basically it was because that's what the Constitution orders if that the prosecutor general is to be appointed for a four year period. Since neither the Constitution of the law specifies the date when the period is to begin, then it must be concluded that it is referring to an individual period. In other words, the individual who enters to occupy the office is the one who starts the period.

[Arizmendi] Then we should infer by that, Dr. Forero de Castro, that if due to any circumstance Dr. Alfonso Valdivieso Sarmiento were to resign in six months or one year, then at that time the candidate who replaces him will also have a four year term starting from the moment he or she is appointed?

[Forero] Exactly. In that case, the candidate who enters to occupy the positions, enters for a four year period as the Constitution says, except if a ruling on the contrary is issued.

[Arizmendi] Does it not matter if the time terms does not coincide with that of the president of the republic, as maybe the spirit of the Constitution of 1992 intended?

[Forero] It was proposed that the prosecutor general's term in office would coincide with that of the president of the republic and that motion was defeated. After all, that is not the spirit of the Constitution.

[Arizmendi] The spirit of the Council of the State ruling, does it not specify that other officials elected, for example, to a municipal council, a mayor's office, a governor's office, an assembly, or other public corporations, including the chamber or the senate, to have individual four year period?

[Forero] No. Those cases have their own regulations that regulate them which is different to what we are dealing with. This ruling has nothing to do with those cases. Nothing to do.

[Arizmendi] Why a special rule system for the prosecutor general?

[Forero] It is not a special rule system, it is what the Constitution stipulates, that he must be elected for a four-year period.

[Arizmendi] But his predecessor had already been elected?

[Forero] Anytime the Supreme Court of Justice elects a new prosecutor general of the republic it must be for a four-year period, as long as there is no other ruling that

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stipulates when the prosecutor general's term begins. There is no ruling that stipulates such a thing.

[Arizmendi] Of course. Does it not matter if the Supreme Court of Justice already said that Dr. Alfonso Valdivieso Sarmiento had been elected to replace Dr. Gustavo de Greiff?

[Forero] That was precisely what was under consideration, and that was the act that was declared void by the Council of State for that same reason.

[Arizmendi] Is it possible to appeal that decision?

[Forero] It is unappealable.

[Arizmendi] The Constitutional Court, when handing down a ruling based on the statutory laws of the justice system, which regulates the prosecutor general's term, could at some point in time revoke the decision made by the Council of State?

[Forero] The Constitutional Court does not revoke decisions made by the Council of State. The Constitutional Court just rules on the constitutionality of the norms included in the statutory laws of the administration of justice, but that is something else.

[Unidentified reporter] In addition to the legal analysis of the situation, did you bear in mind the current situation of the country?

[Forero] Not in the deliberations of the Council. Not at all. As I said, we are judges of the law and we do not take into account the advisability of administrative actions?

[Unidentified reporter] Did the political circumstances have some influence on you, Dr. Forero?

[Forero] No. I simply abided by the constitutional norms.

[Arizmendi] Did you feel any pressure from the government at a certain time? Did you receive telephone calls from the president of the Republic, from the ministers, or other officials?

[Forero] Never. No one ever called me. Absolutely no one called.

[Arizmendi] The prosecutor general did not call you up either?

[Forero] No.

[Arizmendi] What would you say if the prosecutor general, thinking about politics or claiming other reasons, including his own personal safety, decided to leave his post on short notice?

[Forero] That would be his decision. I do not have any opinion in this regard.

[Arizmendi] The prosecutor general was sworn in on 18 August. His four-year period begins on 18 August or do you start counting on 1 April bearing in mind that Dr. Gustavo De Greiff ended his term on 31 March?

[Forero] We do not have to guide ourselves by De Greiff's term. That was the decision made by the Council of State.

[Arizmendi] So we start counting when he was appointed.

[Forero] Yes, sir.

[Arizmendi] Prosecutor General Alfonso Valdivieso Sarmiento is listening to you. Mr. Prosecutor General Valdivieso, good morning.

[Valdivieso] Good morning.

[Arizmendi] What do you think of the decision made by the Council of State?

[Valdivieso] I have stated that I have received the news with the certainty that this represents an additional commitment. I never wanted to give my opinion on the legal nature of the decision. The opinion I had coincides with what was determined in this regard. This is an institution, this is a post with the characteristics described by the lady magistrate. It does not have a direct relationship with the presidential term. We are not talking about an oversight institution here such as the Comptroller's Office or the Attorney General's Office, whose terms are tied to the extension of the congressional mandate. I believe that for the good of the investigation and the judicial duties, the four-year period is very important. At any rate, I will continue with a renewed spirit and we will be here with our working team carrying out our responsibilities.

[Arizmendi] Do you plan to be there for four years? You had previously told us about your intentions to leave your post to take care of other types of commitments. Perhaps you were on the verge of fulfilling the mission you had intended to carry out at the Prosecutor General's Office.

[Valdivieso] I never said that. I was perhaps misinterpreted in my expression. I said I was in some way privileged. I initiated my duties with the intention of fulfilling them by March of 1996 in view of a situation that emerged following a lawsuit that was filed. Afterwards, I saw the possibility of extending my term. This is what happened. I said that if that situation emerged, I would make the decision, which I have in fact done. I have decided to continue.

[Arizmendi] Until 18 August 1998.

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[Valdivieso] I will continue to exercise my duties according to the guidelines set forth by the Council of State itself.

[Arizmendi] Sacrificing the possibility of a political career, the possibility of running for president.

[Valdivieso] You are trying to find out about my opinion in this regard. I have clearly stated that I am not concerned about that topic. It is not one of my current concerns. As long as I am in this post, I am not thinking about future possibilities. I am absolutely certain that I am fulfilling my duties as prosecutor general of Colombia. That will be my attitude as long as I am in this post.

[Arizmendi] How do you explain the fact that the decision was won by two votes? The final result was 12 to 10.

[Valdivieso] It was a natural thing. You could not expect anything else from a legal point of view. Dr. Forero has said it. It involves different viewpoints. This only represents the characteristics and extent of judicial decisions.

[Arizmendi] Now that you have been ratified for a four-year period and your future has been decided, at least for the medium term, do you plan to make any changes at the Prosecutor General's Office and in your team of immediate collaborators?

[Valdivieso] For the time being. We are going to conduct an evaluation of the projects and the activities we were carrying out. I believe the important thing in this case is that we have a new opportunity. It is an opportunity to evaluate what we have been doing. I said we have to work at a very fast pace and if we have to make a stop along the way, we will set goals according to the new perspectives. I am very excited about this. I have said that the most important thing about this has to do with the internal front, the strengthening of our institutions, and the need the country has to create more prosecutor offices. We need a more solid institution. We are attaining it, but the outlook for the next two years is that we will turn over a Prosecutor General's Office as needed by the country. I will truly interpret what the 1991 Constituent Assembly members wanted.

[Arizmendi] The justice system wins here. Colombia's image abroad wins because the possibility existed that the wise decision made by the State Council could have been different.

[Valdivieso] I am not the person to say this, but I hope that is the case. I hope that is the case because it is part of the job I undertook since the first moment. We will carry out our best efforts in the fulfillment of our duties.

[Unidentified reporter] Last night, a television newscast asked whether your ratification was advisable for President Ernesto Samper Pizano. If you had to answer, what would you say?

[Valdivieso] I believe that is the way it should be. I believe the defense of the country's institutionality is a decision that should be heeded and well received by all officials. The president himself, through the justice minister, gave his opinion in this process. I believe this is the way it should be. The rest would simply be to create suspicion around a decision that was made to resolve the instability problems that have gotten the public opinion's attention for the third or fourth time.

[Unidentified reporter] In addition to the explicit and definitive legal weight of this decision, could there be other matters that tipped the scale in the Council of State vote?

[Valdivieso] I would not know. I would prefer to think that all of these court decisions were made because there were legal reasons behind them even if the decision had a political impact. That could be an indirect result, but the motivation behind these decisions must always be made according to the law.

[Arizmendi] I imagine you also thought about the other possibility. What if the Council of State decided your term ended on 31 March 1996, what would you have done?

[Valdivieso] As I said in the beginning of this interview, I knew I would at least remain until March. I told myself: Well, I will make my decision when the Council of State rules. When people started saying I would retire in March regardless of the Council of State decision, I answered I have not said that at all. I said I was very happy with my post. If they decide my term will be for four years, I will continue. I always thought I would remain connected to academic institutions abroad because that is the vocation I have always had, but I had not taken any steps in this regard precisely because the work being done here is very demanding. [passage omitted]

[Arizmendi] Does the Prosecutor's Office plan to send new evidence in the case of the president of the Republic to the Investigation and Accusation Commission of the Chamber in the next hours or days?

[Valdivieso] I do not know. Anyway, I do not have this information because I am not the one advancing the investigation where this material could appear. However, rest assured, that just as we have done from the start—even before the president of the Investigation and Accusation Commission of the Chamber requested it—we will forward all the relevant material. It will be

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done in the same way that we sent evidence to the Supreme Court of Justice and the Criminal Military Justice. I am referring to organizations, entities, or institutions that have the responsibility of investigating precisely because the Prosecutor General's Office does not have this responsibility. We cannot omit the transfer of this information because we would be incurring that which is known as omission of charges.

[Arizmendi] How do you view those who are currently talking about the possibility that Colombia dictate a sort of final point [punto final] law regarding drug-trafficking activities that occurred in the past?

[Valdivieso] Let's see, in regards to this topic, I would prefer that we, as Colombians, understand the true scope of what has happened. It seems to me that this is something that cannot be treated with a forget-the-past and start off with a new-slate measure. I believe to do so would set a disastrous precedent. I believe it is preferable that we understand that justice has to be applied. I would also prefer that we understand that those who are responsible have to—there is no doubt about this—let us say, endure the punishment and penalty that society has established for such actions. Anyway, of course, there are other alternatives and possibilities and they have to be studied. However, it is not such a simple topic. The forget-the-past measure will establish a precedent and lead to misinterpretations by sectors of the society, which are the one that mainly require—I am talking about the large national majorities—that we resume society's path, that we recover it, and that we be able to reconstruct it. This is not obtained with simplistic formulas.

[Arizmendi] What other alternatives, besides the possibility of a forget the past law, could be studied, Mr. Prosecutor?

[Valdivieso] I have not stopped to think about this topic. However, I have always been available to consider projects or initiatives that could have some reach in the country's norms.

[Arizmendi] Would you favor hardening the subjection to justice laws?

[Valdivieso] Of course, I believe the subjection to justice norms, the criminal [word indistinct] law, and even the criminal code itself, should be, as has already been stated, reviewed thoroughly with a much broader and perceptive of criminal policy. [passage omitted]

Situation of Botero, Medina Contrasted

96CA0063A Santa Fe de Bogota SEMANA in Spanish 21 Nov 95 p 62

[Commentary by Maria Isabel Rueda: "My Solidarity With Botero"]

[FBIS Translated Text] When I heard the news that they had assigned the ex-treasurer, Santiago Medina, to house arrest, I had the same feeling as many Colombians who know and love ex-Minister Fernando Botero: the deep sadness left by the great irony surrounding this situation.

Because, whereas Fernando Botero, the minister, did great things for the country, such as locking up the cartel's top echelon and laying the groundwork for a military-civilian defense against the guerrilla offensive that has half the Colombian people cornered, Medina's only contribution was to help elect the president, and nothing more.

Now, we are faced with the reality that Botero will remain in his military confinement indefinitely, and Medina will do so in his mansion. And that is what is most difficult for people to understand because, although the circumstances should be the opposite, they are not for legal reasons: The law calls for the possibility of granting this benefit to anyone who really collaborates with the justice system, rather than basing it on the personal merits of those investigated. And the only one of the leading participants in proceedings 8,000 who has done this to date is Medina.

However, the ironies of Fernando Botero's situation do not begin nor end here. What might have been the most prestigious event of his career, the occasion when the vice president of the United States acknowledged at a press conference in Washington that mankind was indebted to the Colombian defense minister for his contribution to the antidrug battle, was perhaps the most bitter moment of his life. At that same time, in Colombia, Medina was singing; and Botero, informed almost simultaneously, turned pale.

But those who are distressed, such as Minister Serpa and many other Colombians, including myself, by the great irony of Botero being kept in jail and Medina at home, are overlooking an even worse irony: that of Botero being kept in jail, and Samper in the presidential palace.

After all, it is an irrefutable fact that, without Fernando Botero, Ernesto Samper would never have become president. To begin with, he was the major strategist of Samper's image. Among other things, he achieved the feat of distancing him from the political class,

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and putting him on the path that could gain him the public's sympathy. In other words, Botero made the main contribution to his victory as a candidate. But then, when he was president, Botero also made the main contribution to his government because, amid all the efforts expended by Samper to erase the spurious origins of his power with a good administration, the capture of the Cali Cartel's top echelon is and will continue to be what he has to show nationally and internationally.

On the other hand, if money from the drug traffic entered, it was because the Rodriguez brothers were Samperist liberals. This does not mean that they would have been his friends, but simply his political sympathizers. However, they would have been his, not those of Fernando Botero.

Nor was Botero the vehicle through which the money entered the campaign. The funds entered through Medina, who traveled in person to collect them, according to his own confession.

Although, as has been explained, Botero was not the reason that the money entered the campaign, nor the vehicle through which it entered, he was left in the middle, as technical director of an operation in which his authorization was indispensable, as was the president's knowledge. And that kind of "sandwich" in which he was placed has potentially converted him into something that seems terribly unjust to me: the only individual responsible for a collective responsibility.

There is the aggravating factor that, of the three, Botero is perhaps the only one who never met a drug trafficker in his life, except for the occasion when he captured them. Although the stories about Samper's great friendship with the Rodriguez brothers are most certainly exaggerated, it is almost inevitable that he must have known them for a long time, like any politician who has spent 20 years in the arena during one of the country's most agitated periods. Not to mention Medina, who could have had them as clients of his furniture business, but who also visited them in person to collect the money for the campaign, this too according to his own confession.

I cannot absolve Fernando Botero, nor judge the degree of his culpability. The Prosecutor General's Office is there for that purpose. But, as a friend, I can indeed have the maximum solidarity with the great irony that destiny has put in his path, when he was traversing the route to one of the country's most promising political careers.

Ecuador

President Denies Pressuring Banks Superintendent

PY2911211095 Quito Voz de Los Andes in Spanish 1700 GMT 29 Nov 95

[FBIS Translated Excerpt] While inspecting works inside the Carondelet Presidential Palace this morning, President Sixto Duran-Ballen commented on subjects of public interest.

Duran-Ballen denied the government exerted pressure on former Banks Superintendent regarding the microfilm.

The president then justified his inspection of the works by showing journalists that this government has done something. He said [words indistinct] the results of the recent plebiscite. He added that the vote count changes every day and the government will await the final vote count before making any comment. In the meantime we realize that the answer to many questions vary according to the results of the vote count. [passage indistinct]

As for the fact that 10 people entered the Central Bank vault before the President of the Supreme Court of Justice, he said one must listen to both sides of this story; the version of the government and that of the banks superintendent. [passage omitted]

Conservative Party Maintains Support for Duran-Ballen

PY2911132395 Madrid EFE in Spanish 0148 GMT 29 Nov 95

[FBIS Translated Text] Quito, 28 Nov (EFE)—The Conservative Party of Ecuador (PCE) decided today to maintain its support for the government after a meeting in which its highest leader, ex-Vice President Alberto Dahik, who is a fugitive from justice living in Costa Rica, participated via telephone.

"We will continue to support the government" and President Sixto Duran-Ballen, Julio Cabrera, member of the PCE national leadership, told EFE. He added that "the links with the executive branch are not only electoral but also ideological and moral."

Cabrera said the PCE does not plan to replace Alberto Dahik as PCE president, and that Dahik was in contact with the party leadership by telephone and "thanked us for the support."

The PCE, headed by Dahik, recently merged with the Republican Unity Party (PUR), headed by Duran-Ballen, to create the Conservative Party of National Unity (PCUN).

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Despite the merger, the support of the PCE for the government was placed in doubt after the comments of PCE Deputy Fredy Bravo, who said the president knew about the documents related to the discretionary funds of the vice presidency, a case that is being investigated by the Supreme Court.

The Supreme Court then ordered the preventive detention of Vice President Dahik, who escaped to Costa Rica in October, within the framework of the criminal charges against him for the illegal use of the discretionary funds of the vice presidency.

PCE representatives reported that party members will meet with Duran-Ballen to convey to him the PCE support. They added that the party's electoral strategy for the 1996 general elections will also be discussed.

Congress Views 3d Package of Constitutional Reforms

PY2911210995 Quito Voz de Los Andes in Spanish 1700 GMT 29 Nov 95

[FBIS Translated Text] The Ecuadoran Congress will respect the executive branch's decision regarding the third package of reforms of the Constitution.

Congress President Fabian Alarcon warned that it would be a mistake for the president of the Republic to veto what the legislators have approved. He appealed to the executive branch to carefully assess its decision before making another mistake, because what the government has asked the people is not the same as the three reforms approved by Congress.

Paraguay

Bridge on Border With Brazil Reopened

PY2911193895 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1510 GMT 29 Nov 95

[FBIS Translated Excerpt] A mechanism for controlling the merchandise that passes through the customs houses of Ciudad del Este [Paraguay] and Foz do Iguacu [Brazil] is the main concern of President Juan Carlos Wasmosy, who has discussed the matter with his Brazilian counterpart.

The president spoke about this matter this morning at the seat of the Armed Forces Command, where he worked on military matters.

[Begin recording] [Wasmosy] Yes, I have spoken to him about holding a meeting between Argentina, Brazil, and Paraguay to appropriately establish the rules of the game and a timeframe. I have asked for a 90-day period, but Argentina says that a 30-day period will be sufficient. We shall see. I do not want to insist on the 90 days, but I do want to make sure that we have enough time to legalize all of this and thus protect the legal commercial sector and punish the illegal commercial sector both here and in Argentina and Brazil.

[Unidentified reporter] What was Cardoso's answer?

[Wasmosy] Positive. Of course, he has already talked with Brazilian Finance Minister Pedro Malan. Also, Industry Minister Ubaldo Scavone, with representatives from Congress—one from the Chamber of Deputies and one from the Senate—is now going to travel to Brazil and thus we will begin these talks. [passage omitted] [end recording]

[Passage omitted] Let us see how Ciudad del Este woke up this morning to see whether there were any modifications after the occupation of the Friendship Bridge was lifted on 28 November. We now establish our usual contact with Ricardo Martens Garcia. Go ahead, Ricardo.

[Martens Garcia] Thank you, Stella. Good afternoon. Ciudad del Este and Alto Parana Department woke up in a happy frame of mind due to the lifting of the occupation of the international bridge. [passage omitted]

Mercosur Police Chief on Increase of Border Controls

PY2911200395 Asuncion ABC COLOR in Spanish 29 Nov 95 p 69

[FBIS Translated Text] Police Chief Superintendent Anibal Genes, chief of the Logistics Division of the Paraguayan National Police and Police Chief Superintendent Victor Hermoza, the INTERPOL head in Paraguay attended a meeting of police chiefs from Mercosur [Common Market of the South] and Chile held in Brasilia on 23-24 November. The participants in the meeting acknowledged the vulnerability of their countries' borders.

The security chiefs of the Southern Cone pointed out that this situation is most propitious for the expansion of drug and arms trafficking and the entry of terrorists and petty criminals who flee their countries of origin.

During the meeting, Paraguay proposed discussing the establishment of more checkpoints on the borders. The Uruguayan representation opted for the most cost-effective solution and said that it would be more advisable to take advantage of the existing checkpoints and police infrastructure on the borders.

The Argentine delegation was of the opinion that each Mercosur member-country ought to control the entry and exit of persons, cars, and other vehicles. It noted

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that the creation of control mechanisms using telephone, fax, telex, radio, and informatics should be expedited.

Those attended the meeting came to the conclusion that narcoterrorism constitutes the most serious threat confronting them. This is why participants from all countries committed themselves to coordinate their efforts and step up controls through the ongoing exchange of information.

All delegations insisted on the importance of creating a computer network in order to establish a common data bank.

As for the fight against drug trafficking, Brazil also suggested enhancing controls at railroad stations since it detected that the railroad is used for arms and drug trafficking in Brazil.

Uruguayan Police Chief Eduardo Molina and INTERPOL Director Sidney Riveiro Betancour attended the meeting on behalf of Uruguay. The Brazilian delegates at the summit were National Federal Police Coordinator Jose Moacir Favetti as well as several police chiefs from various states.

Police Chief Superintendent Luis Alfredo Ponce, chief of INTERPOL in Buenos Aires, represented Argentina.

Peru

President Views Terrorist Trials, 'Feliciano' Arrest

PY2911221095 Lima EXPRESO in Spanish 8 Nov 95 p A6

[FBIS Translated Excerpt] President Alberto Fujimori said yesterday that the judicial branch must quickly conclude all pending trials that involve those accused of terrorism, instead of insisting on the revision of trials against those subversives who have already been sentenced, as in the case of [Shining Path top leader] Abimael Guzman Reinoso, who was sentenced to life imprisonment.

The Peruvian president said that reviewing the trials of at least 650 sentenced subversive criminals would be a waste of time for supreme and superior court judges.

"It is just a (matter of) common sense for the judicial branch to deal with pending trials and not with revisions, (which) would merely be a waste of time. I do not think that would be correct," Fujimori said. [passage omitted]

Fujimori denied that terrorist leader Alberto Ramirez Durand, (alias) "Feliciano," has been arrested, but repeated that the forces of order are closing in on him in the woods around Ayacucho, and that his arrest may come at any moment. [passage omitted]

Drug Trafficker 'Threatened' Not To Reveal Names

PY3011002295 Lima EL COMERCIO in Spanish 10 Nov 95 p A25

[FBIS Translated Excerpt] Judicial branch sources confirmed yesterday that confessed drug trafficker Abelardo Cachique Rivera, 'El Negro,' has been threatened with death if he reveals the names of more military officers who supported his criminal activities.

This report gained momentum after Judge Cesar Herrera Casina, of the 25th Criminal Court, last week saw that the questioning of 'El Negro' had been frustrated. Visibly nervous, he refused to answer questions.

Faced with this situation, the judge postponed the questioning of Cachique Rivera at the Miguel Castro Castro Prison (San Juan de Lurigancho) where he is held in custody. [passage omitted]

Mantaro Front Command Accused of Favoring Traffickers

PY2911230695 Lima EL COMERCIO in Spanish 9 Nov 95 p A11

[FBIS Translated Excerpt] While opening criminal proceedings against 11 Army officers for drug trafficking and for corrupting officials, Judge Cesar Herrera Cassina said the Mantaro Front high command promoted, favored, and facilitated the free transit of drug traffickers in the Pichis-Palcazu valley in Oxapampa (Pasco)—especially those of the 'firm' of Cachique Rivera.

The accusation directly affects Peruvian Army General David Jaime Sobrevilla, chief of the Mantaro Front from 1993 to 1994; Colonel Mac Donald Perez Silva (now a general and the new chief of the Mantaro Front), the former chief of Oxapampa; Colonel David Antonio de Vinatea Cornejo, 'J' National Security Area (Pichis-Palcazu Valley) chief; and Lieutenant Colonel Jose Federico Peralta Salas, Chief of the 'G-2' Intelligence Department of the Mantaro Front.

Based on the accusation and evidence provided by Special Judge Juana Elvira Cordova de los Santos, he said these officers did not fulfill their duty of providing the necessary intelligence and logistic means to the military officials from the 'J' National Security Area, notwithstanding the critical situation in Pichis-Palcazu.

Colonel De Vinatea and Major Jorge Morales Hidalgo (the latter was the first officer arrested in this case) noted in their reports that those officers knew about the drug trafficking problem in that zone and the links with the military officers, especially in the countersubversive bases of Iscozacin, Puerto Victoria, and Ciudad Constitucion. [passage omitted]

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Military Officers Investigated for Drug Trafficking

PY2911221295 Lima LA REPUBLICA in Spanish 8 Nov 95 p 17

[FBIS Translated Excerpt] Another 20 Army officers—in addition to the 11 against whom warrants of arrest have been issued for alleged involvement with drug trafficker Abelardo Cachique Rivera—will be investigated by Judge Cesar Herrera Casina for alleged links with drug mafias in the Pichis-Palcazu valley. This information was disclosed yesterday at the 25th Penal Court in Lima.

It was disclosed that among the military men to be investigated are Colonel Leopoldo Nunez Rojas Melgar, Lieutenant Colonel Leoncio Sanchez Roque, Captains Manuel Alejandro Meza Iturrizaga, Alfonso Morales Ramos, and Juan Valeriano Lazo; Second Lieutenants Mario Garcia Arroyo and Gustavo Galindo Castro; and Corporals Jorge Son Sandoval and Hector Balarreta Zegarra.

Attorney Juana Cordova de los Santos, who did not included them in her first report, requested that they be investigated because she says there is still suspicion that they are linked to drug rings, even though no evidence has been found yet. [passage omitted]

Uruguay

New Army Commander in Chief To Replace Curutchet

PY2911161295 Madrid EFE in Spanish 0319 GMT 29 Nov 95

[FBIS Translated Text] Montevideo, 28 Nov (EFE)—Uruguayan Defense Minister Raul Iturria announced today that General Raul Mermot will be the new Army commander in chief, replacing Lieutenant General Juan Curutchet, who will retire in late January 1996.

The Army commander in chief-designate currently serves as commander of the 3d Army Division, which has jurisdiction over northern Uruguay.

With the rank of colonel, Mermot served as departmental head (mayor) in Rivera District on the Uruguay-Brazil border in the north, 520 km from Montevideo, during the military regime that ruled Uruguay for 12 years (1973-85).

During the "de facto" regime's last year, in 1984, Mermot served as Montevideo police chief. Half of Uruguay's 3 million inhabitants live in Montevideo.

Venezuela

Colombia Suspends Trade With Venezuela

PA3011031495 Caracas ECONOMIA HOY in Spanish 23 Nov 95 p 22

[Report by Ana Carolina Griffin]

[FBIS Translated Text] Colombia's Trade Office yesterday sent a communication to the Foreign Trade Institute (ICE), informing it that Colombian exports to Venezuela were suspended owing to the implementation of Resolution 102 on the way to process the ALADI [Latin American Integration Association] Loans and Reciprocal Payments Accord.

Since last Monday, trucks carrying merchandise from Colombia are parked on the border because they do not have the authorization requested by the Venezuelan authorities.

According to Jorge Alberto Velasquez, trade adviser of the Colombian Embassy, the losses caused by the suspension of his country's imports since Monday, 20 November, total approximately $30 million.

On 17 November, the Exchange Administration Board [JAC] decided to modify Resolution 27 that regulates the ALADI Loans and Reciprocal Payments Accord, which allows commercial transactions to be paid through the central banks of the 11 ALADI countries.

Based on the modification, an authorization by the Exchange Administration Technical Office (OTAC) prior to the purchase of foreign currency is required to dispatch merchandise from the selling country.

Velasquez described the measure as unfair since Colombia, in addition to being Venezuela's main trade partner, is one of the few countries with which Venezuela has a surplus.

"This is not a matter of requesting preferential treatment but equal conditions," he noted.

The Venezuelan Government's position on the decision to modify access to the ALADI Accord preferences is that Venezuela has a negative balance at the level of central banks with the rest of the ALADI countries. Regarding Colombia, the figures revealed by the JAC total some $250 million, contradicting the Colombian source that puts the amount at $141 million.

The explanation for a negative balance in the transactions conducted by the Colombian and Venezuelan central banks and the trade balance surplus between the two nations in favor of Venezuela is, according to the Colombian adviser, that on many occasions the operations are conducted through other means such as the

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Special Optional System for Exporters [Regimen Especial Facultativo para los Exportadores] (REFE) and the black market.

Velasquez asserted that in practice the obligation of processing payments through the Reciprocal Payments Accord has not been complied with.

In addition, he noted that recent measures Venezuela is implementing on trade do not correspond with the commitment to integration President Rafael Caldera expressed during his latest visit to Bogota.

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